



## **ASX Announcement and Media Release**

28 April 2017

### **MARCH 2017 QUARTERLY ACTIVITIES REPORT FOR KALAMAZOO RESOURCES LIMITED**

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- **History making milestone achieved as Kalamazoo Resources Limited (“Kalamazoo”) listed on the ASX on January 16<sup>th</sup> raising A\$5M**
- **Ore Sale and Purchase Agreement signed with Minjar Gold Pty Ltd on the A-Zone Project at Snake Well where Kalamazoo will receive 60% of free cash flow generated from the operation**
- **Drilling commenced at A-Zone in February 2017 and has been completed with Minjar Gold Pty Ltd sole funding drilling and development studies**
- **Many significant gold intercepts and multiple mineralised zones were intersected at the A-Zone gold project<sup>1</sup> and selected results include:**
  - **2 metres of 9.54 g/t Au from 62 metres in hole MJAZRC054**
  - **2 metres of 4.35 g/t Au from 24 metres & 6 metres of 3.21 g/t Au from 29 metres in hole MJAZRC060**
  - **5 metres of 3.23 g/t Au from 25 metres in hole MJAZRC063**
  - **10 metres of 2.77 g/t Au from 3 metres in hole MJAZRC011**
  - **13 metres of 4.15 g/t Au from 51 metres in hole MJAZRC013**
  - **6 metres of 3.28 g/t Au from 7 metres in hole MJAZRC022**
  - **11 metres of 2.53 g/t Au from 29 metres in hole MJAZRC023**
  - **7 metres of 1.72 g/t Au from 54 metres in hole MJAZRC024**
- **A-Zone drilling results also confirm the general position and grades of (historical) mineralisation at A-Zone and gold mineralisation is open at depth**
- **Drilling for additional, near surface mineralisation at Mixy Project also commenced in same period**

<sup>1</sup> Qualifying data as required under JORC 2012 guidelines are presented in ASX releases dated March 29<sup>th</sup> and April 11<sup>th</sup> 2017 for a full list of results and Table 1 for JORC 2012.

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## DETAILS

Kalamazoo Resources (ASX: **KZR**) ("**Kalamazoo**") is pleased to report on its history-making activities during the March 2017 quarter – its first since listing on the Australian Securities Exchange after a successful \$5 million capital raising.

Following the capital raising, the Company has quickly progressed its previously outlined exploration and development initiatives at its flagship project - the Snake Well Gold Project<sup>2</sup> in Western Australia - with an early focus on:

- Finalising the Minjar Ore Sale and Purchase Agreement for gold ore mined and recovered from the A-Zone gold deposit;
- Drilling and development works at the A-Zone gold deposit, and;
- Drilling of the near surface extensions of the Mixy gold deposit

The Snake Well Gold Project, located 450km north of Perth in the Mid-West region, covers Archaean rocks over an area of approximately 263km<sup>2</sup>, 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) (refer Figure 1 below).

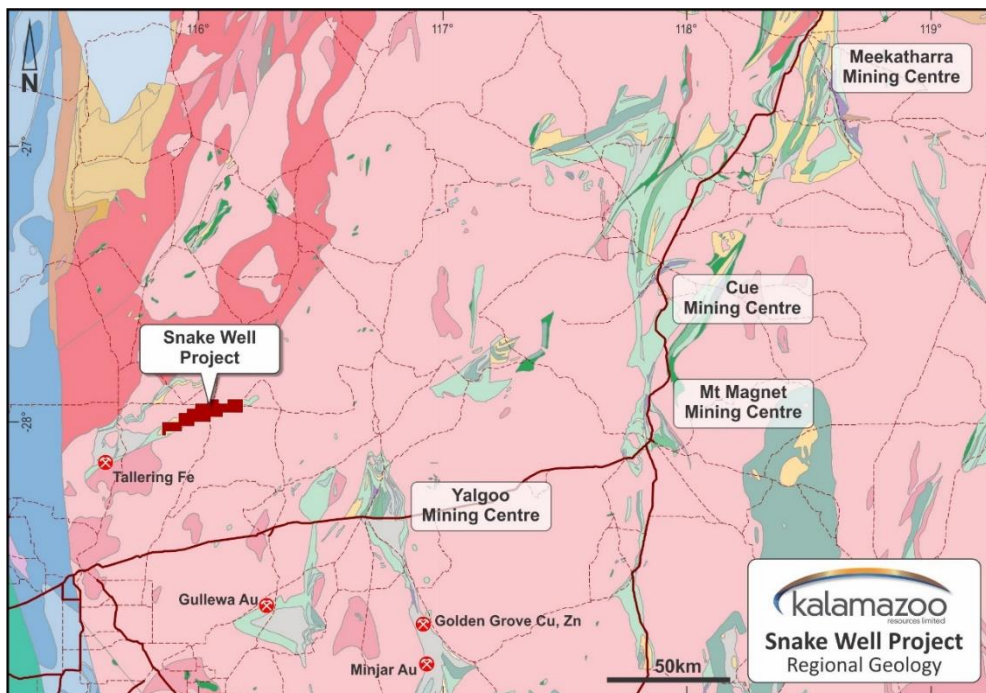


Figure 1: Location plan of Snake Well Gold Project

Note: The tenement outline has since been modified to reflect two new tenement applications E59/2240 and E59/2239 and one relinquished tenement, E59/2200, since the Prospectus was issued in October 2016.

2 Refer to Kalamazoo Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

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Kalamazoo's flagship gold asset, the Snake Well Project consists of five granted mining leases, one granted exploration licence and two exploration licence applications (Figure 2).

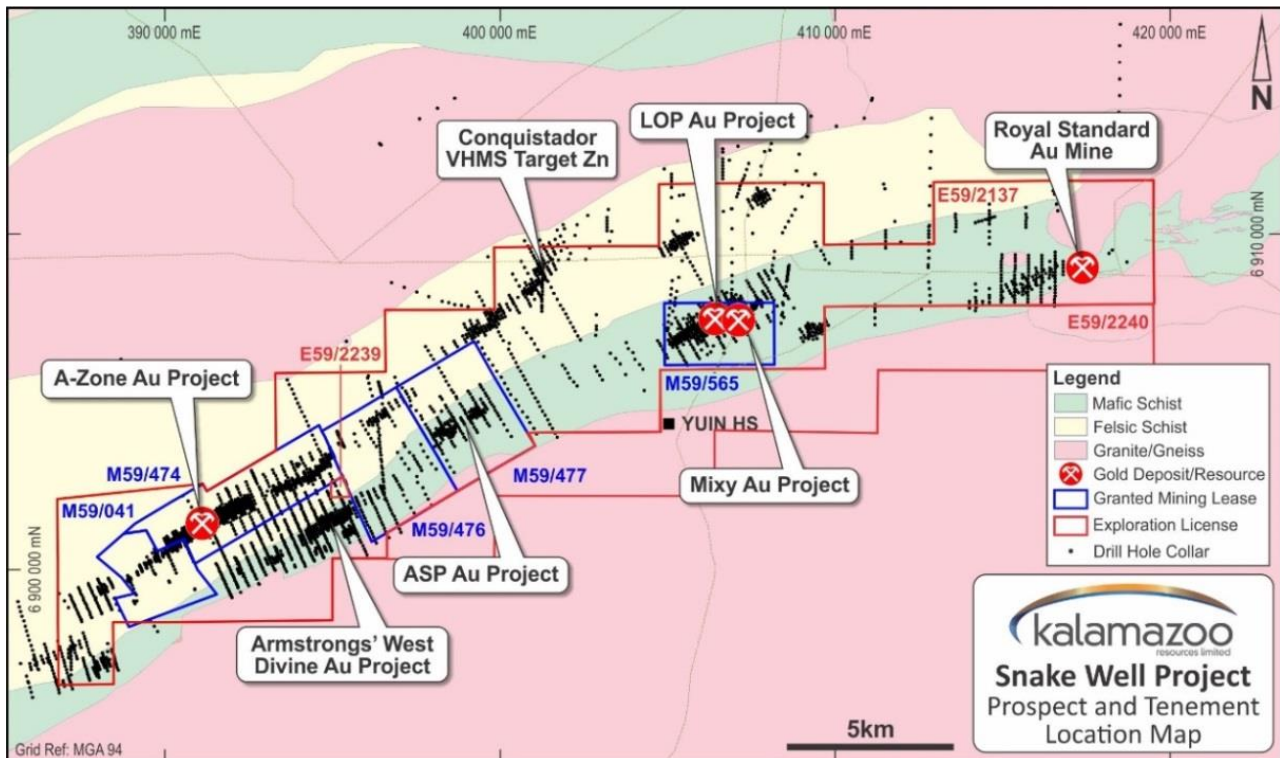


Figure 2: Location of A-Zone and Mixy Project areas

Note: The tenement outline has since been modified to reflect two new tenement applications E59/2240 and E59/2239 and one relinquished tenement, E59/2200, since the Prospectus was issued in October 2016.

## A-Zone Project

The Snake Well Gold Project is located within the Murchison Province with the A-Zone gold and polymetallic deposit located in M59/474 at its western end (Figure 2). Shallow gold mineralisation at A-Zone was discovered in the late 1980s with further drilling completed by Giralia Resources in the early 2000s.

Gold and elevated copper, lead, zinc and silver mineralisation is hosted within quartz veined pyritic quartz-sericite schists interpreted to be of felsic origin and possibly of VHMS association (Volcanic Hosted Massive Sulphide type).



## Ore Sale and Purchase Agreement

Kalamazoo signed an Ore Sale and Purchase Agreement (“**Agreement**”) with Minjar Gold Pty Ltd (“**Minjar**”) to investigate, in stages, and complete a feasibility study on the commercial viability of developing the A-Zone Deposit on Mining Lease M59/474. If a decision to mine is made, Minjar will purchase ore from Kalamazoo on the terms set out in the Agreement.

Kalamazoo retains the rights to all minerals other than gold/silver within the Mining Area which are not contained within the Ore Reserve Block Model, together with all gold and other minerals situated outside of the Mining Area.

The stages for the development of the A-Zone are as follows:

- Stage 1: Initial Review (which has been completed)
- Stage 2: Preliminary Works: including mineral resources drilling and mineral resource and ore block modelling;
- Stage 3: Final Mine Design, Plan and Feasibility Study;
- Stage 4: Decision to Mine; and
- Mining Operations

In the event that Minjar elects not to proceed prior to the commencement of Mining Operations, all of the costs up to that point will be solely at Minjar’s risk.

A Reverse Circulation (**RC**) and diamond drilling program - with the dual objectives of infilling coverage within the historically defined gold deposit and confirming previously identified mineralisation widths and grades - was planned and completed. Diamond drilling also supplied new material for geological, geotechnical and metallurgical assessment.

## A-Zone Drilling & Results

In the March quarter, Kalamazoo also completed a maiden 75 hole RC and diamond drilling program for 3375 metres (Figure 3 and 4) on the A-Zone Gold project (“**A-Zone**”) at its Snake Well Gold Project (Figure 2). This drilling is part of an overall works program to complete development studies at A-Zone which will be sufficient to prepare a feasibility study for consideration for a decision to mine.

Results from this drilling were announced in two tranches - in ASX releases dated March 29<sup>th</sup> and April 11<sup>th</sup> 2017 - and a plan location for the 75 completed RC drill holes are shown in Figure 4. Mineralisation at greater than 0.5 g/t gold is present in a series of elongate lenses over a surface strike of 1.2 kilometres and the sub-parallel lenses dip to the southeast (Figures 5 and 6).

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The results indicate that the A-Zone mineralisation has been successfully intersected where expected and is visually discernable in the oxide zone. More importantly, many significant intersections of gold mineralisation were made, generally supporting the position and tenor of gold grades indicated by the historical drilling (Refer to Figures 5 and 6).

A summary is given below:

- 2 metres of 9.54 g/t Au from 62 metres in hole MJAZRC054
- 2 metres of 4.35 g/t Au from 24 metres & 6 metres of 3.21 g/t Au from 29 metres in hole MJAZRC060
- 5 metres of 3.23 g/t Au from 25 metres in hole MJAZRC063
- 10 metres of 2.77 g/t Au from 3 metres in hole MJAZRC011
- 13 metres of 4.15 g/t Au from 51 metres in hole MJAZRC013
- 6 metres of 3.28 g/t Au from 7 metres in hole MJAZRC022
- 11 metres of 2.53 g/t Au from 29 metres in hole MJAZRC023
- 7 metres of 1.72 g/t Au from 54 metres in hole MJAZRC024

These significant down-hole assay intersections are reported using criteria of a lower threshold of 0.5 g/t Au, and a maximum of 2 metres of downhole dilution (<0.5 g/t Au) included within the intercept length. Qualifying data as required under JORC 2012 Table 1 guidelines are presented in ASX releases dated March 29<sup>th</sup> and April 11<sup>th</sup> 2017 together with a full list of results.



Figure 3: DDH1 contract diamond rig drilling MJAZDD001 at A-Zone

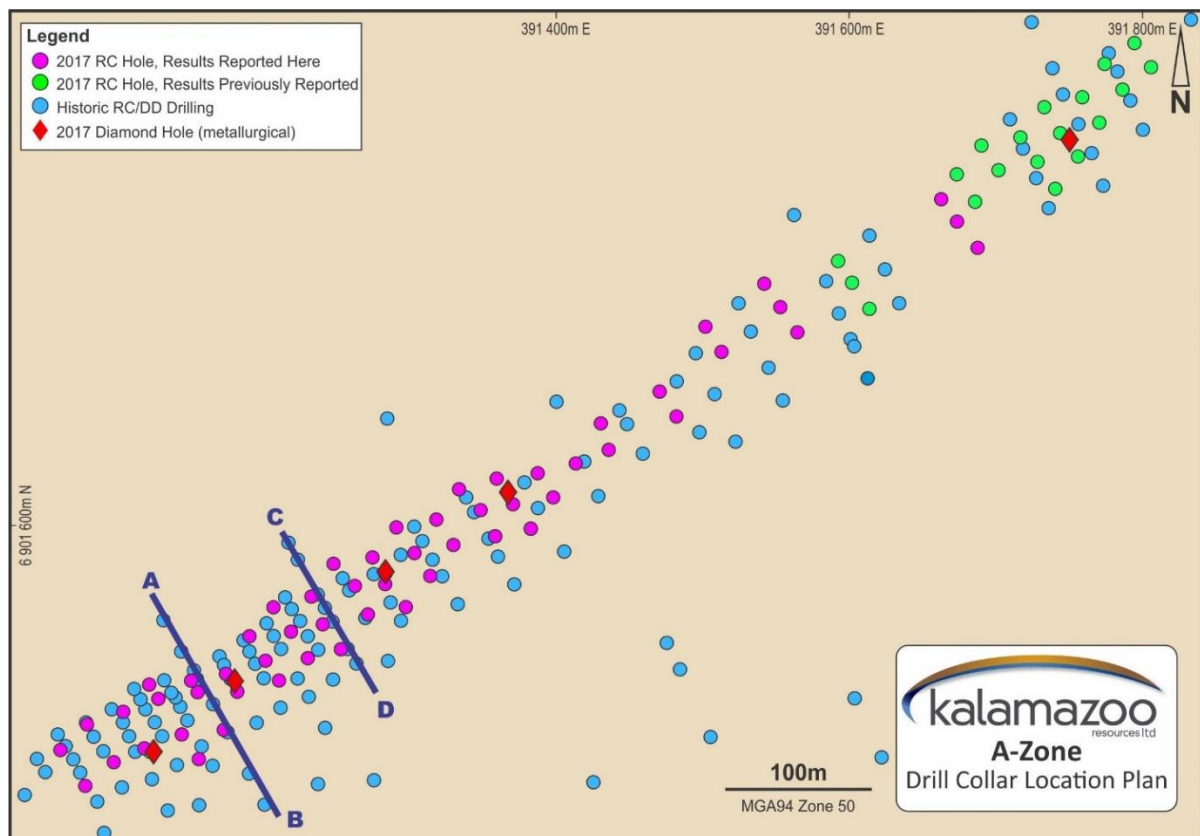


Figure 4: Drill collar location plan of both historical and recent holes.

Cross section examples A-B and C-D are displayed in Figures 5 and 6 respectively, illustrating a portion of second tranche of results reported and the section locations are shown in Figure 4. These sections demonstrate the strong spatial and gold grade range correlation between the new drilling and previously intersected in historical drilling.

The drilling on Section A-B targeted the principal mineralised lode that dips at approximately 60° to the south-east. Historical drilling on Section A-B indicates the presence of deeper primary mineralisation.

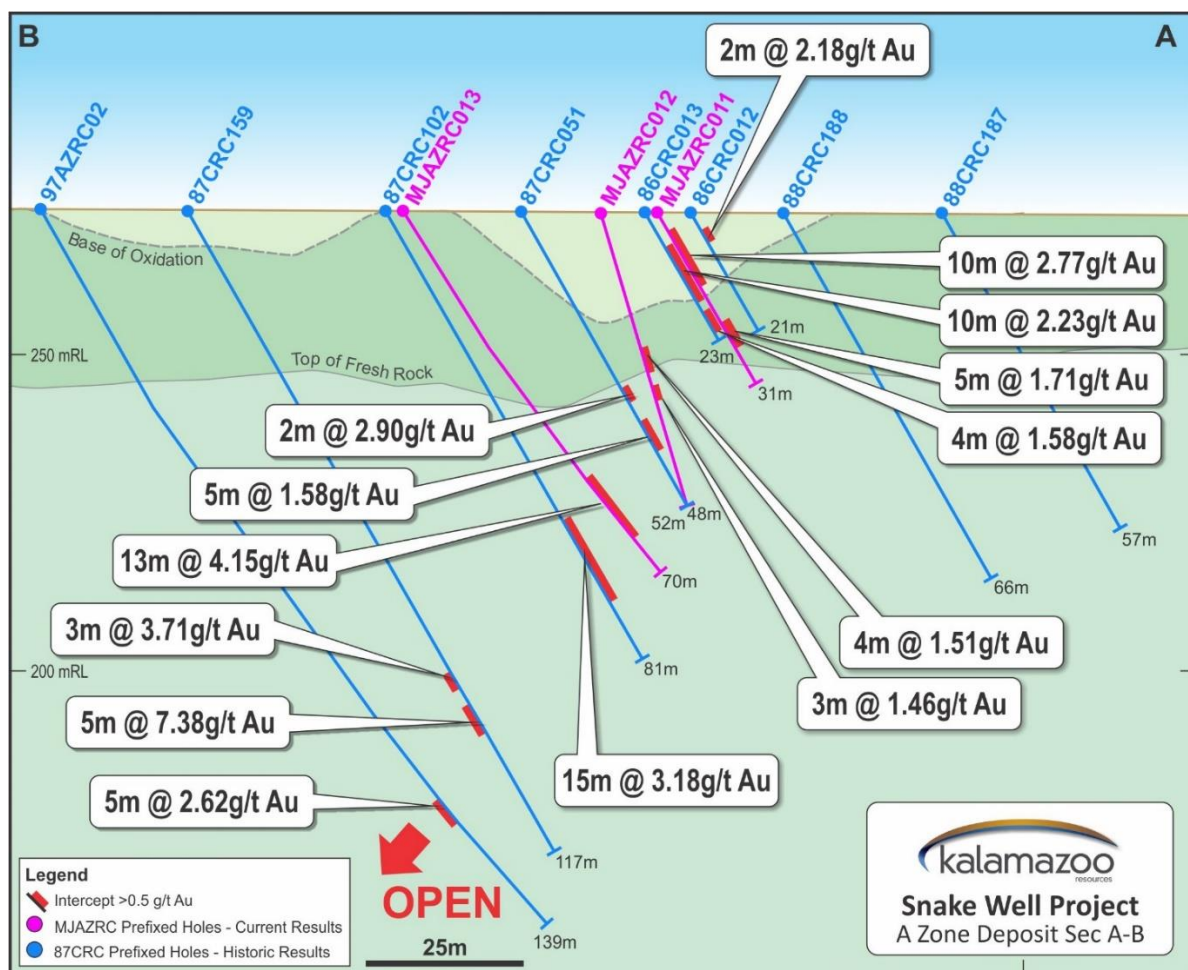


Figure 5: A-Zone Cross Section A-B looking southwest

(Intersections are down hole lengths of >0.5 g/t Au, and include a maximum of 2m at <0.5 g/t Au)

(Note: Selective historical drill hole intercepts, 86CRC013 to 97AZRC02 were included within the Inferred Mineral Resource for A-Zone. For a detailed description of this Mineral Resource, refer to the Independent Geologist's Report in Section 5 of the Prospectus, October 2016.)

On Section C-D, drilling similarly indicates a primary lode position, dipping at approximately 60° to the south-east.



Significantly, mineralisation is open at depth in fresh rock, as indicated in historical drilling. Most of the current drilling targeted the oxide and transitional zones together with some shallow, primary mineralisation.

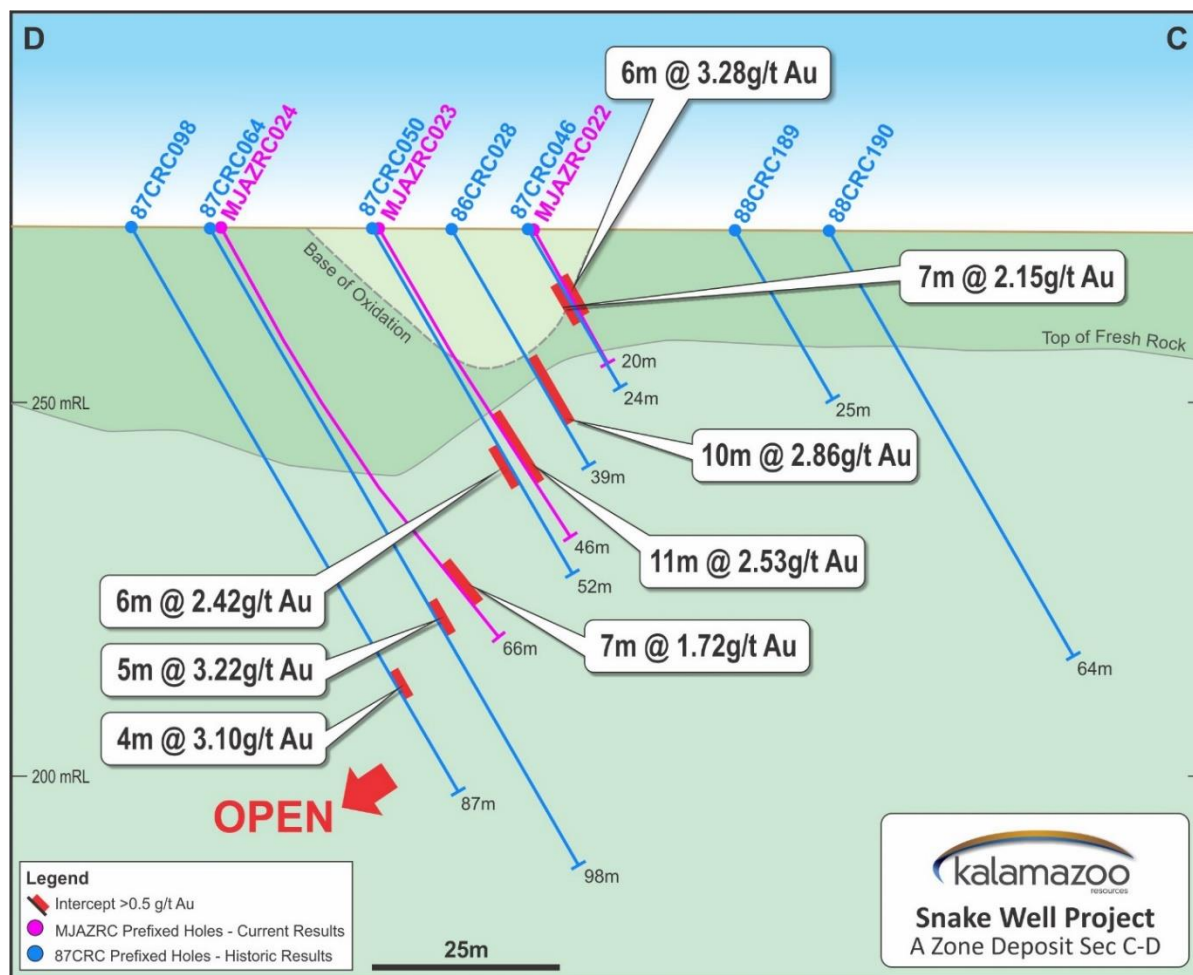


Figure 6: A-Zone Cross Section C-D looking southwest  
(Intersections are down hole lengths of >0.5 g/t Au, and include a maximum of 2m at <0.5 g/t Au)

## Next Steps

Sufficient data now exists to complete wire-framing and modelling - in order to provide for a full statistical comparison between the new results and the historical results - which will occur over the coming weeks, leading to an updated mineral resource estimate. The data from the diamond holes will permit metallurgical, geotechnical and geology studies to be completed, to be used in development studies.

The Board of Kalamazoo is encouraged with these initial results from the A-Zone Project and will keep shareholders updated on the development and exploration programs at the Snake Well Gold Project.

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## Mixy

Following the successful trial pit completed in early 2016<sup>3</sup>, this drilling program is part of an overall works program outlined in the Kalamazoo Prospectus (Figure 2).

The RC drill rig was relocated to the Mixy Project and is aiming to drill approximately 2,000 metres to test for extensions of the near surface and deeper gold mineralised zones at the Mixy Project (Figure 7 and 8).



Figure 7: Contract RC rig drilling at Mixy (eastern side)

<sup>3</sup> Refer to Kalamazoo Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

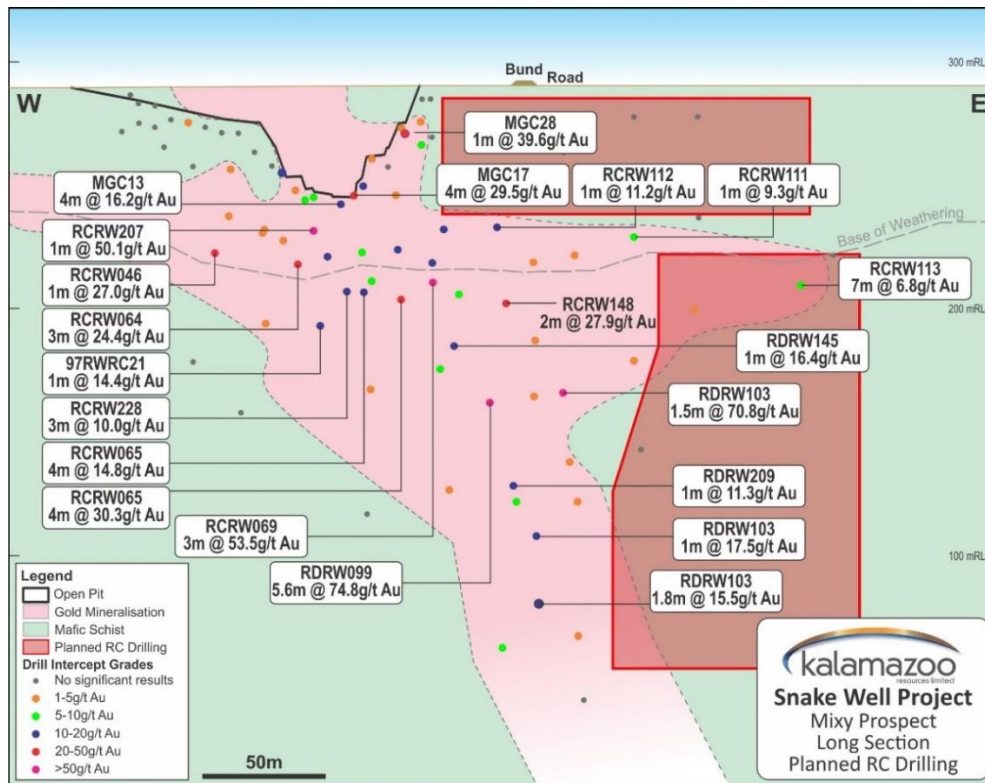


Figure 8: Mixy Longitudinal Section (looking north) and areas to be tested

Refer to Independent Geologist's Report by Ravensgate in Section 5 of the Company's Prospectus dated 3 October 2016. Kalamazoo Resources confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement/s referred to and in the case of exploration results and mineral resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Drilling continues at the Mixy Project where a quartz zone, associated with the mineralisation, was intersected in most holes to date. Samples have been dispatched to the laboratory for assaying for the first two thirds of the program and results are expected over the next few weeks.

**TABLE 1 TENEMENT INFORMATION IN ACCORDANCE WITH LISTING RULE 5.3.3**

Project / Tenement ID	State	Status	KZR Interest at start of quarter	KZR Interest at end of quarter	Notes
<b>Cork Tree Project</b>					
E52/2056	WA	Granted	51%	51%	49% held by Giralia Resources Pty Ltd.
E52/2057	WA	Granted	51%	51%	49% held by Giralia Resources Pty Ltd.
E52/3042	WA	Granted	100%	100%	
E52/3514	WA	Application	-	-	
E52/3515	WA	Application	-	-	
E52/3540	WA	Application	-	-	
<b>Snake Well Project</b>					
E59/2137	WA	Granted	100%	100%	
E59/2239	WA	Application	-	-	
E59/2240	WA	Application	-	-	
M59/0041	WA	Granted	100%	100%	
M59/0474	WA	Granted	100%	100%	
M59/0476	WA	Granted	100%	100%	
M59/0477	WA	Granted	100%	100%	
M59/0565	WA	Granted	100%	100%	

Giralia Resources Pty Ltd is a wholly owned subsidiary of Atlas Iron Ltd.

One exploration license application, E59/2200, was withdrawn during the quarter.





### **Competent Persons Statement**

The information in this release that relates to the exploration results of the Company 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.

For additional and detailed information, including the JORC 2012 Minerals Resource Estimates for the Snake Well Project, please refer to the Independent Geologist's Report prepared by Ravensgate Mining Industry Consultants 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.

Some of the information above is extracted from the Kalamazoo Prospectus, dated 3<sup>rd</sup> October 2016 and is available to view on the company website at [www.kzr.com.au](http://www.kzr.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Exploration Results or estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the results and estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### **About Snake Well Project**

Kalamazoo's flagship gold asset is the Snake Well Project, which 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 263km<sup>2</sup> 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).

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