ASX Announcement and Media Release

16 October 2018

KALAMAZOO ACQUIRES ATLAS IRON JV TENEMENTS SHARE TO CONSOLIDATE HOLDINGS IN WA'S DOOLGUNNA REGION

- **Kalamazoo has consolidated its tenement position at its Cork Tree Copper Project in WA's highly prospective Doolgunna region by acquiring Atlas Iron Limited's (ASX: AGO) 49% share of two joint venture tenements.**
- **Tenements E52/2056 and E52/2057 have increased the total area of Kalamazoo's 100% holdings to six contiguous tenements covering a substantial 370 km^2.**
- **The exploration area covers 40 kilometres of strike mainly within the Earaheedy Basin and partly along the contact with the Yerrida Basin.**
- **The project area is strategically located in the Doolgunna region, which hosts the DeGrussa Copper Mine, Thaduna Copper deposit, Enigma Copper prospect and Horseshoe Lights Copper-Gold mine.**
- **Historical exploration[1] has indicated encouraging copper potential:**
  - **Regional soil sampling defined an anomaly some 1,950m x 600m in extent with results ranging from 2ppm to 25ppm Cu.**
  - **Eight rock samples of 'gossans' returned copper assay above 0.1% with a maximum of 1.42% copper.**
- **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 Kalamazoo's six tenements.**

Kalamazoo's Chairman, Mr Luke Reinehr, said today "*We are very pleased to have now consolidated 100% of the Cork Tree Cu project which has Sandfire operating immediately to the north and west and the Sandfire/Great Western exploration JV to the south. Our strategy now enables Kalamazoo to undertake a systematic approach to its exploration activities at Cork Tree in the understanding that our shareholders will receive the full benefit should our program unlock its significant potential*."

1 Refer to Independent Geologists Report in Section 5 of the Company's Prospectus dated 3 October 2016.

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Copper-gold exploration company, Kalamazoo Resources Limited **(ASX: KZR)** ("**Kalamazoo**"), today announced it has consolidated 100% ownership of its Cork Tree Cu Project, located in Western Australia's highly prospective Doolgunna region.

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 a contiguous area of approximately 370km^2 along the contact of the Yerrida Basin and the Earaheedy Basin (Figure 2).

Kalamazoo entered into a farm-in and joint venture (JV) agreement with ASX-listed Atlas Iron over the two Cork Tree tenements E52/2056 and E52/2057 in March 2013, and completed the Stage 1 earn-in for 51%[1]. Since then, the four additional licences were applied for and granted to Kalamazoo.

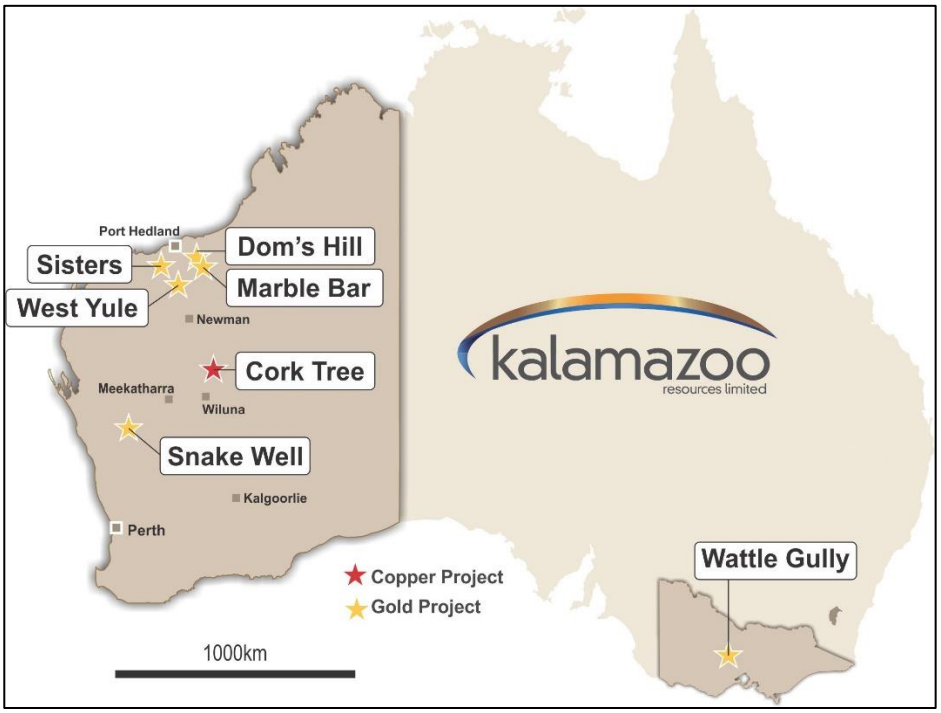

Figure 1: Location of the Cork Tree Project

The project tenements lie 30kms to the south-east of DeGrussa and Monty mines owned by ASX-listed Sandfire Resources NL (ASX:SFR) (Figure 2). Kalamazoo believes the region to be prospective for copper and potentially lead-zinc mineralisation.

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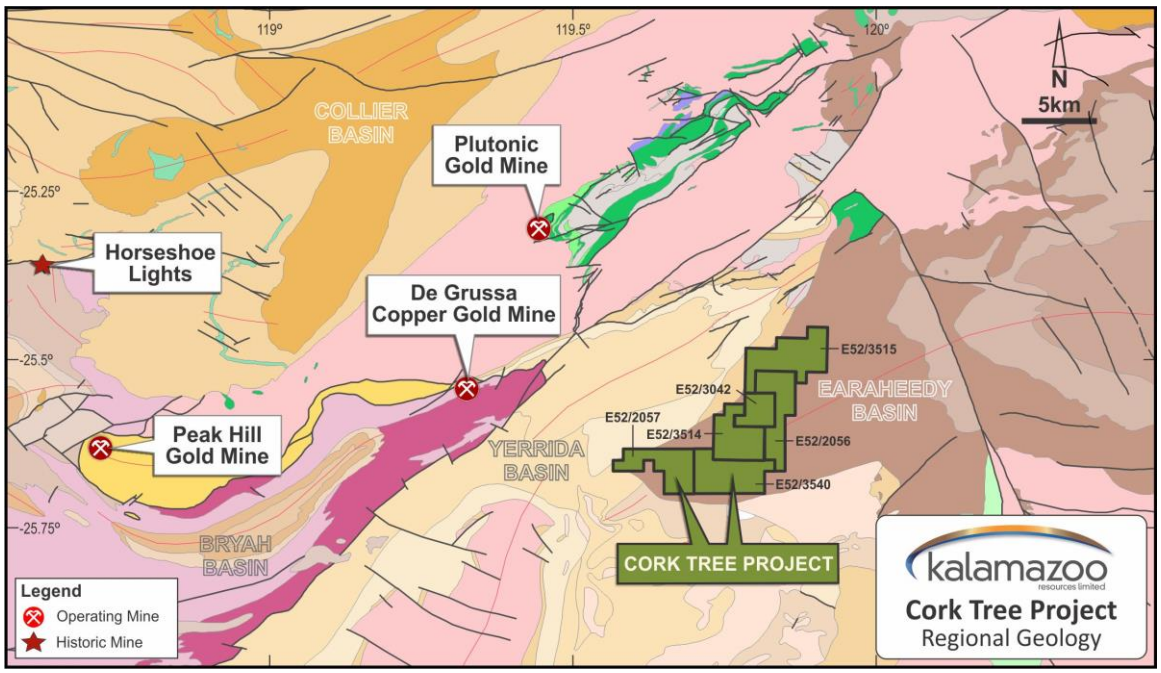

Figure 2: Location of Cork Tree tenement package, geology and significant deposits

Given the large tenement holding, Kalamazoo has taken a holistic approach to its exploration strategy. It has completed a geological interpretation of a significantly larger area than the tenements themselves, to identify the major lithological and structural elements of the Archaean basement that will impact the overlying Proterozoic sedimentary basins and structures. A conceptual exploration model to suggest how mineralisation may have formed within the Kalamazoo tenements has been compiled (Figure 3).

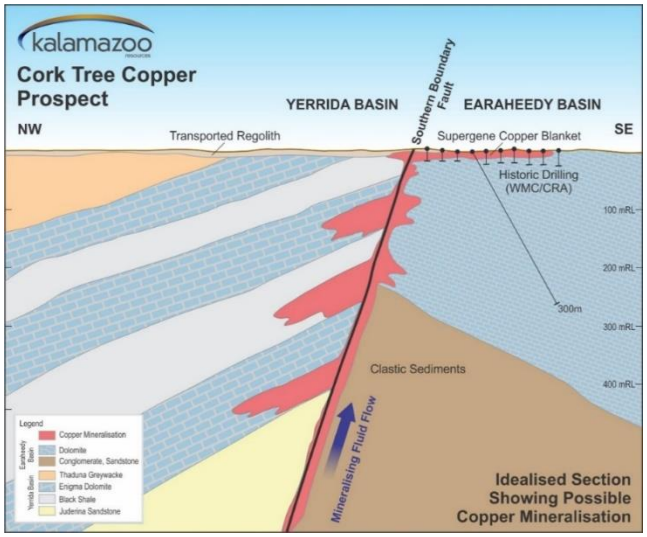

Figure 3: Idealised model for copper mineralisation – Cork Tree Copper Prospect

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Local Geology and Mineralisation

The Cork Tree Project straddles rocks of the Yerrida Basin and the western extremity of the Earaheedy Basin. Rocks mapped comprise of clastic sediments and dolomites, largely exposed as chert breccias and silcretes, which underlie most of the tenement area. Outcrop is very poor with most exposed material being alluvial or colluvial in origin (Figure 4).

Figure 4: Typical colluvial exposure

Bedrock geology in the project area is heavily masked by lateritic duricrust, deep oxidation and transported material. Exploration within the belt has been hindered by a lack of outcrop, dense vegetation, deep weathering and widespread transported cover which can be up to 80m thick. Previous exploration has identified widespread secondary copper mineralisation (Figure 5) within thick dolomite-shale-sandstone stratigraphy at a number of prospect areas within the Cork Tree tenements.

Figure 5: Malachite mineralisation in silicified dolomite drill cuttings – (E52/2057)

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Nearby Copper Deposits

Mineralisation within the area surrounding the Cork Tree Project dominantly occurs as epigenetic gold deposits (Peak Hill, Fortnum, and Horseshoe mining centres), VHMS base metals (Horseshoe Lights and DeGrussa deposits) and epigenetic copper (Thaduna deposit). The operating DeGrussa copper-gold mine is located 30km to the west (Figure 6), while the historic Thaduna copper mine (Figure 7) is located only 10km to the north west. Other mineralisation in the project region includes new discoveries by ASX-listed Sipa Resources Limited (ASX: SRI) at the Enigma prospect, and by Sandfire Resources NL at Red Bore.

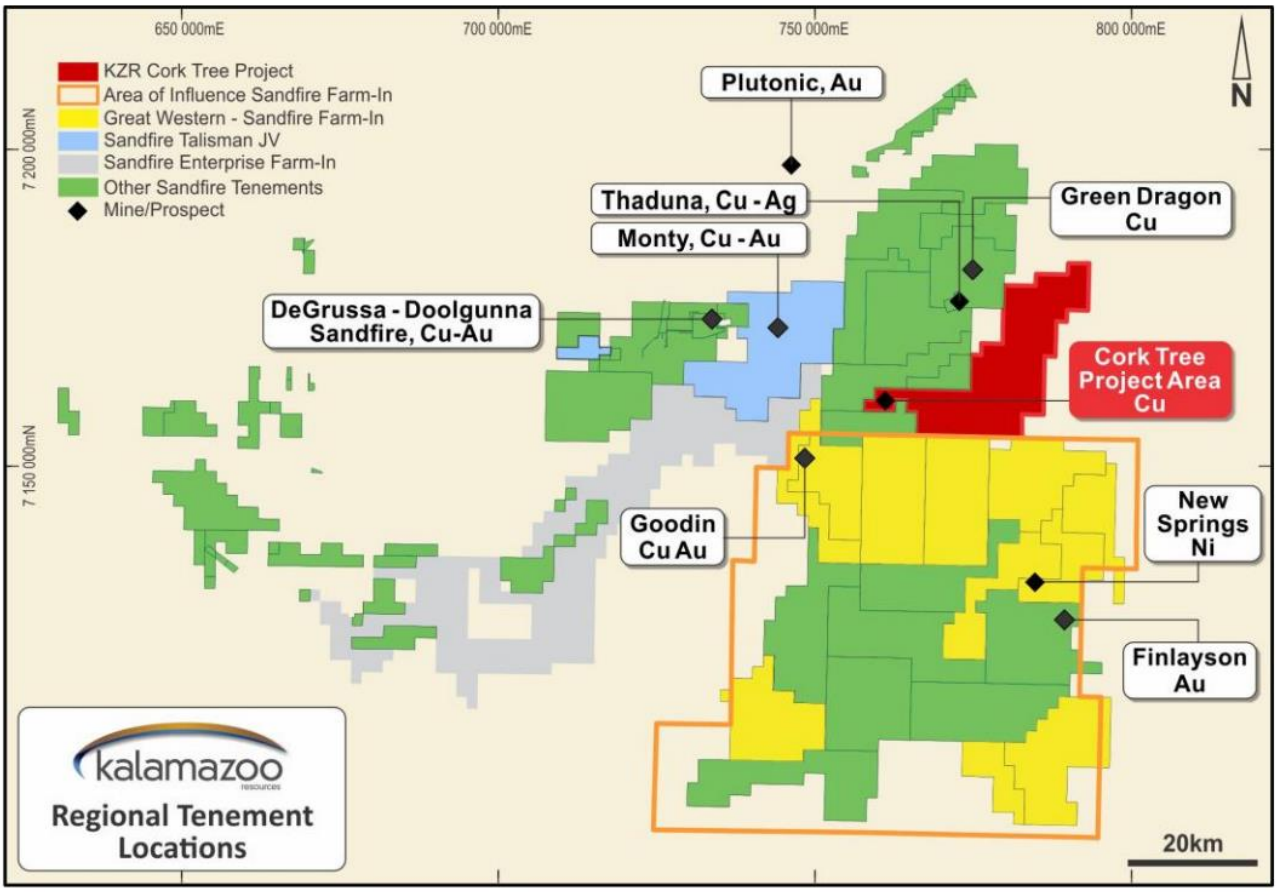

Figure 6: Regional Tenement Locations surrounding the Cork Tree Copper Prospect (in red)

DeGrussa Mine

The DeGrussa copper-gold deposit is a chalcopyrite rich VHMS deposit blanketed by high-grade supergene sulphide and oxide ore, which was discovered in 2009 by Sandfire Resources NL. It has current Mineral Resources of 10.7Mt at 4.5% Cu and 1.8g/t Au which convert to Ore Reserves of 10.8Mt at 3.6% Cu and 1.5g/t Au.

Current production rate for the DeGrussa mine is 1.6Mtpa. Additionally, the recently discovered Monty deposit has current Mineral Resources of 1.05Mt at 9.4% Cu and 1.6g/t Au (Sandfire, 2016).

Figure 7: High grade copper (malachite) mineralisation, Thaduna Mine

Exploration Potential and Targets

Kalamazoo believes its Cork Tree tenements hold significant potential for the discovery of copper mineralisation. Historic exploration has identified widespread secondary copper mineralisation within thick dolomite-shale-sandstone stratigraphy at a number of prospect areas. Potential exists to develop new base metal targets through undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor. Review of this data is expected to lead to a better understanding of the regional geology and most importantly improving the exploration model directing exploration to specific target areas for drilling follow up.

Next Steps

Kalamazoo has commenced planning of a drilling phase to test areas of base metal potential on its tenements. An initial Program of Work has been approved by the DMIRS and heritage clearance surveys have been completed with formal reports awaited.

For further information, please contact:

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About Cork Tree Project

Kalamazoo's copper asset is the Cork Tree Project, located 830km north east of Perth, 120 kms north-north west of Wiluna and 160 kms north east of Meekatharra, in the Mid-West region. It is situated within the Peak Hill Mineral Field, the Peak Hill (SG50-08) 1:250,000 map sheet and the Thaduna (2846) 1:100,000 map sheet. The project can be accessed from Meekatharra via the Great Northern Highway, then the graded Neds Creek Station road. It consists of six granted exploration licences. Access within the tenements is straightforward through relatively flat terrain using mining and exploration tracks.

Although the project is an exploration project some infrastructure exists in the area and reasonable proximity to Meekatharra and Wiluna provides access for some exploration supplies and services. Sandfire's DeGrussa ore processing facility lies some 30km west of the project area.

Competent Persons Statement

The information in this release that relates to the exploration data 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, 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.