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ASX Announcement

19th December 2019

VISIBLE GOLD INTERSECTED IN FIRST DRILLING AT CASTLEMAINE GOLD PROJECT

Highlights

- Three diamond drill holes (1,430.7m) now completed at the Mustang Prospect located within the private Pine Plantation at the Castlemaine Gold Project
- The second hole, MU19DD02, was designed to test for a northern extension of a high-grade intersection of **2.5m @ 64.4 g/t Au** from 337m in historical hole CGT023 (ASX: CGT 22 April 2008)
- MU19DD02 recorded variable amounts of encouraging alteration and quartz veining including a best intersection of **0.8m @ 19.4 g/t Au** from 319.8m, interpreted to be an extension (approximately 30m to the north) of the high grade CGT023 intersection
- A fourth hole, MU19DD04, currently underway was designed to test the same mineralised structure a further 85m north from the best Au intersection of MU19DD02
- MU19DD04, whilst yet to reach its projected target horizon, has obliquely intersected a 17cm long quartz-rich vein containing fine grained disseminated **visible gold from 100.32m depth**

Kalamazoo Resources Limited **(ASX: KZR) ("Kalamazoo" or the "Company")** is pleased to advise it has completed the first three diamond drill holes for 1,430.7m at the Mustang Prospect located within the private Pine Plantation in EL6679 of the Castlemaine Gold Project (Figure 1). A fourth hole is currently in progress and is planned to be completed ahead of the scheduled Christmas-New Year break. This maiden diamond drilling program within EL6679 is the first stage of a recently announced 10,000m program for Kalamazoo (ASX: KZR 8 November 2019).

Kalamazoo Chairman and CEO, Mr Luke Reinehr said today, *"We are very encouraged to have intersected what appears to be gold bearing mineralisation and visible gold at such an early stage of our initial drilling program at Castlemaine. What we learn from this campaign will assist in refining our conceptual high-grade gold model and priority targets, in addition to providing critical input into future planned geophysical surveys, advanced soil sampling exploration methods and the Stage 2 drilling program (~6,000m) in 2020."*

The Castlemaine Goldfield is known to contain significant orogenic gold deposits hosted within Paleaozoic basement rocks of the Bendigo Zone, Central Victoria. In particular, the Castlemaine Gold Project area contains structurally controlled quartz reefs hosted within Ordovician-age deep marine turbidite sedimentary rocks of the Castlemaine Group. These quartz reefs are typically associated with steep west-dipping fault-fold structures which upon subsequent uplift and erosion are the source of the rich alluvial gold occurrences of the Castlemaine Goldfield. The 10,000m diamond drilling program is focused on drill testing numerous gold exploration targets located throughout the Castlemaine Gold Project area.

The initial diamond drill holes were designed to test the encouraging results and interpretations of the extensive ground geophysical surveys and 3D structural modelling recently carried out by Kalamazoo (ASX: KZR 23 October 2019) in addition to several recorded historical high-grade intersections (ASX: CGT 22 April 2008 and 3 December 2008).

Key Points

Assay results have been received for the first two drill holes. A summary of the key results are as follows:

- MU19DD02 – designed to test the extension (approximately 30m to the north) of the historical high-grade intersection of CGT023. MU19DD2 intersected variable amounts of quartz veining with associated carbonate-chlorite-muscovite and sulphide (arsenopyrite-pyrite-pyrrhotite-chalcopyrite-sphalerite-galena) alteration assemblages (Figure 2). Assays have been returned with a best gold intersection of **0.8m @ 19.4 g/t Au from 319.8m.**

- MU19DD01 – designed to test prospective fold and fault structures in the hanging-wall of the major Shicer Gully Fault. No significant assays returned.

- MU19DD03 – designed to test a discrete Induced Polarisation (**"IP"**) (chargeability) anomaly located in the hanging-wall of the Shicer Gully Fault. An interpretation of the drill hole results indicate that the likely source of the IP anomaly is a pyrrhotite-bearing black shale unit. Samples are being submitted for analysis with the assay results pending, however, no significant assays are expected.

- MU19DD04 - is currently in progress with a planned EOH depth of 470m, designed to test an extension of the best MU19DD02 intersection approximately 85m further to the north. Whilst this is interpreted to occur at >300m depth a 17cm long, quartz-rich vein containing fine grained (sub-mm), disseminated visible gold and associated arsenopyrite has been intersected at 100.32m depth (Figures 3 and 4). This visible gold bearing vein is only part intersected and highly oblique to the core axis and as such, the true width cannot be ascertained. The relationship of this intersection to the Company's current gold exploration targets and model is also yet to be determined. Core will be submitted for analysis in due course.

With respect to the visible gold observed in MU19DD04, it must be cautioned that visual observations and estimates are uncertain in nature and hence in no way are intended to be a substitute to analytical results. The analytical results of the interval in question will be reported to the market when the Company receives them.

Future Work Program

- The drilling program will soon cease for a scheduled Christmas-New Year break and re-commence in early January 2020.

- A further six to eight diamond drill holes are planned for the Mustang Prospect, dependent upon the drilling results from the current program. This is expected to take approximately ten weeks to complete at the current drilling production rates.

Background

The Castlemaine Goldfield produced 5.6M ounces* of gold across its life and is one of the richest gold fields in Australia, with only minor exploration activity having been undertaken over the past decade and with limited effective drilling below 400m. (*refer to Willman et al 2002, Geology Survey Victoria, Report 121).

Kalamazoo is committed to acquiring and exploring a portfolio of high-quality Victorian gold exploration projects within highly endowed areas based upon a high grade (>10 g/t) target deposit model. The Castlemaine Gold Project is an important component of Kalamazoo's exploration strategy.

Table 1: Diamond Drill Collar Program

Hole ID	Easting MGA94 Z55	Northing MGA94 Z55	RL	Dip (deg.)	True Azimuth (deg.)	Total Depth (m)	Prospect
MU19DD01	256316	5897181	433	-50	105	484.7	Mustang
MU19DD02	256558	5897517	414	-65	85	446	Mustang
MU19DD03	256557	5897157	425	-54	85	500	Mustang
MU19DD04	256596	5897589	434	-63	90	470 (planned)	Mustang

Table 2: Summary of Drill Assays

Hole ID	From (m)	To (m)	Interval (m)	Including	Au ppm	Detection Limit ppm
MU19DD01					NSA	0.01
MU19DD02	319.8	320.6	0.8		19.4	0.01
MU19DD03					NSA	0.01
MU19DD04					*Assays pending	0.01

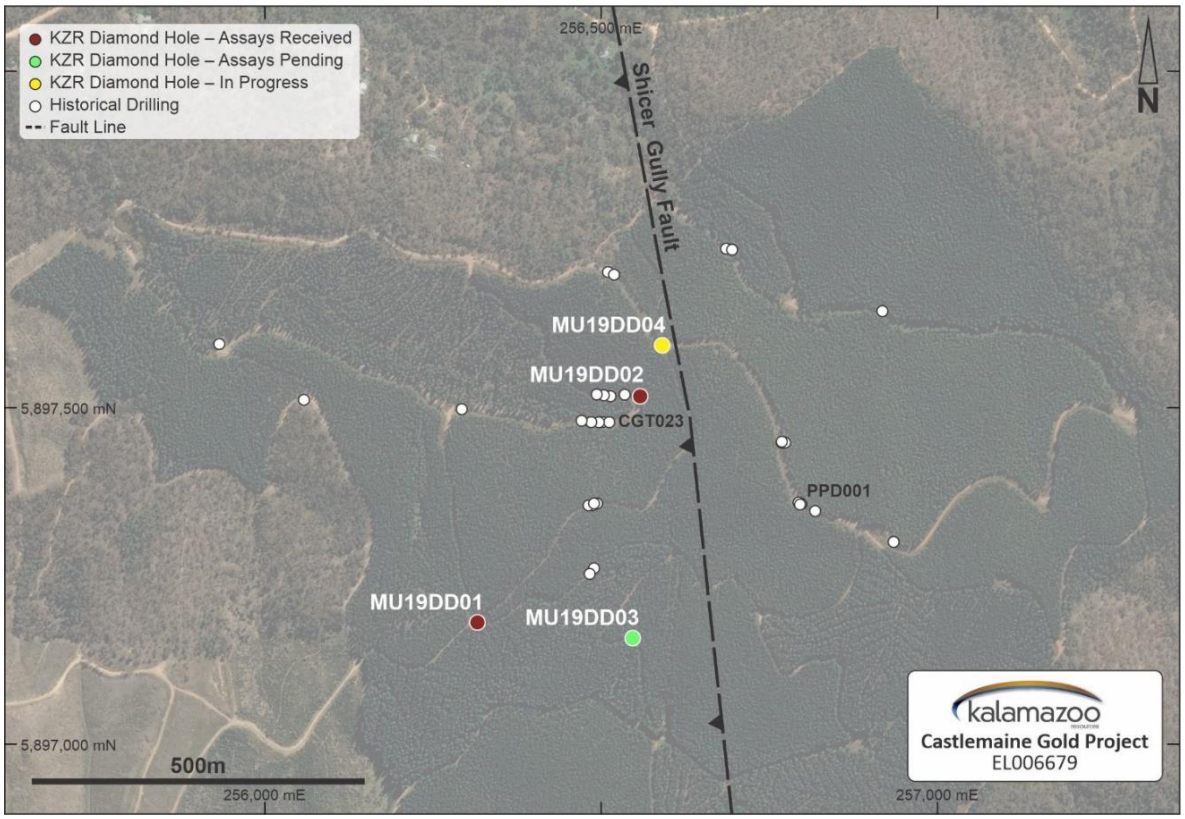

Figure 1: Plan view location map of the first four diamond drill holes of the Stage 1, 4,000m diamond drilling program within the private Pine Plantation in EL6679 (MU19DD01 to MU19DD04)

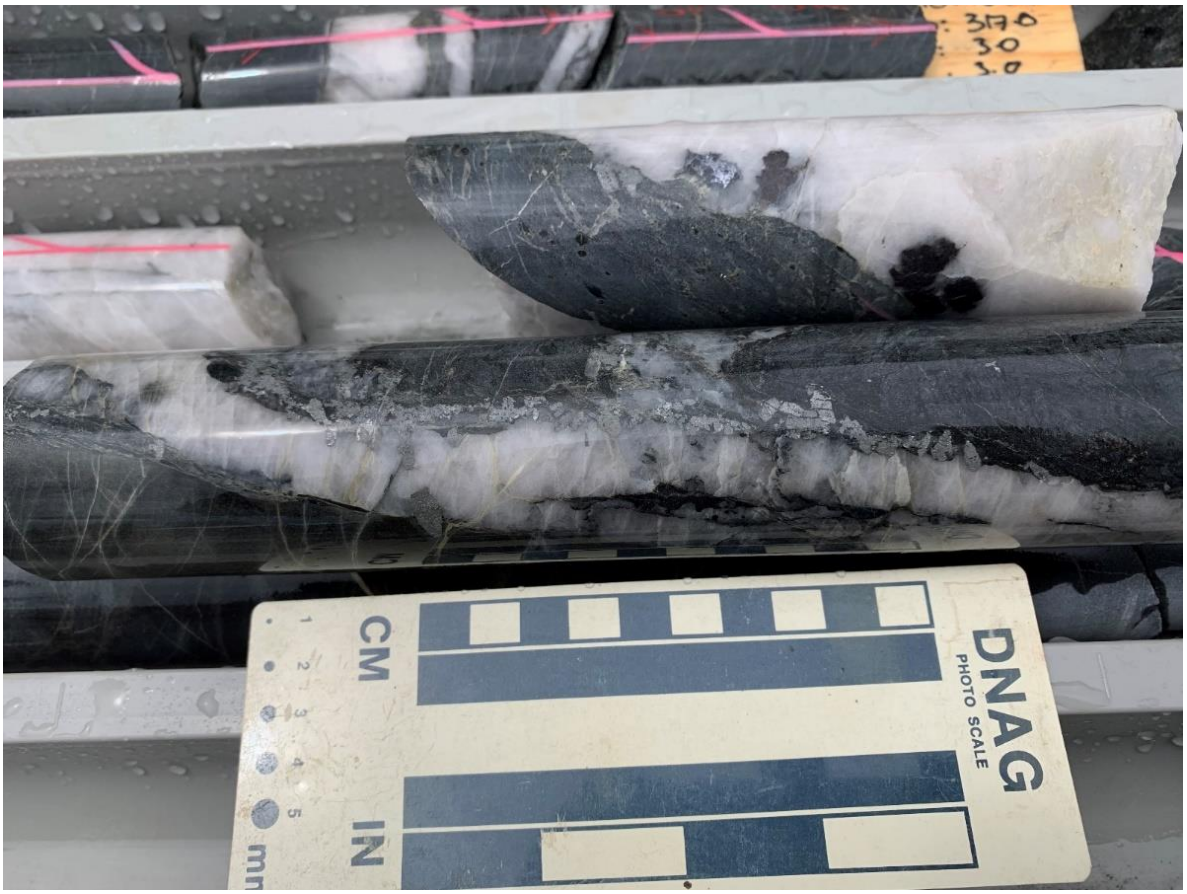

Figure 2: Close up photograph of mineralised quartz veins and sulphide alteration assemblages observed in MU19DD02 (at approximately 319.6m). Note coarse grained euhedral arsenopyrite grains (foreground core sample) and coarse grained galena and sphalerite (background core sample) found near the margins of the quartz vein.

Figure 3: Photo of fine grained (sub-mm) disseminated visible gold and associated arsenopyrite intersected in MU19DD04 from 100.32m. Length of core shown is approximately 6cm.

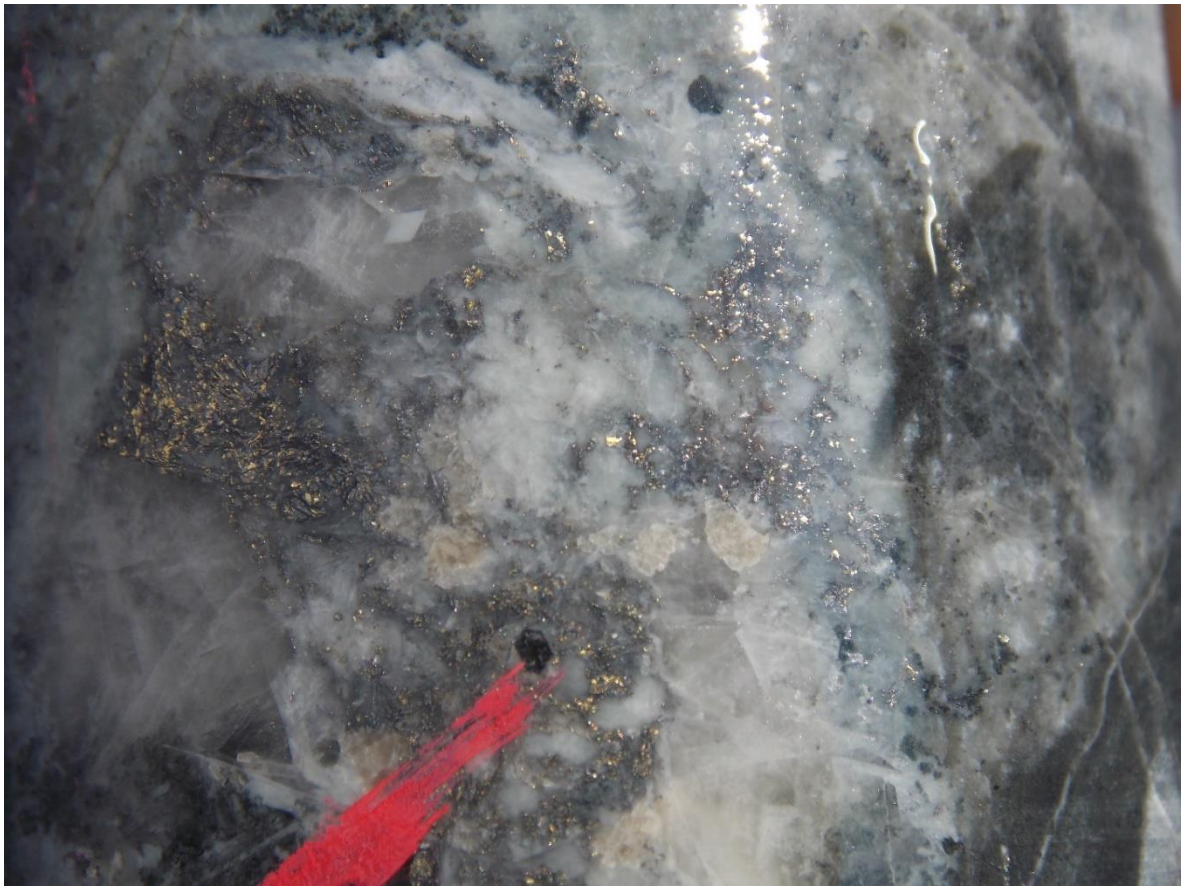

Figure 4: Close up photo of fine grained (sub-mm) disseminated visible gold and associated arsenopyrite intersected in MU19DD04 from 100.32m. Length of core shown is approximately 4cm.

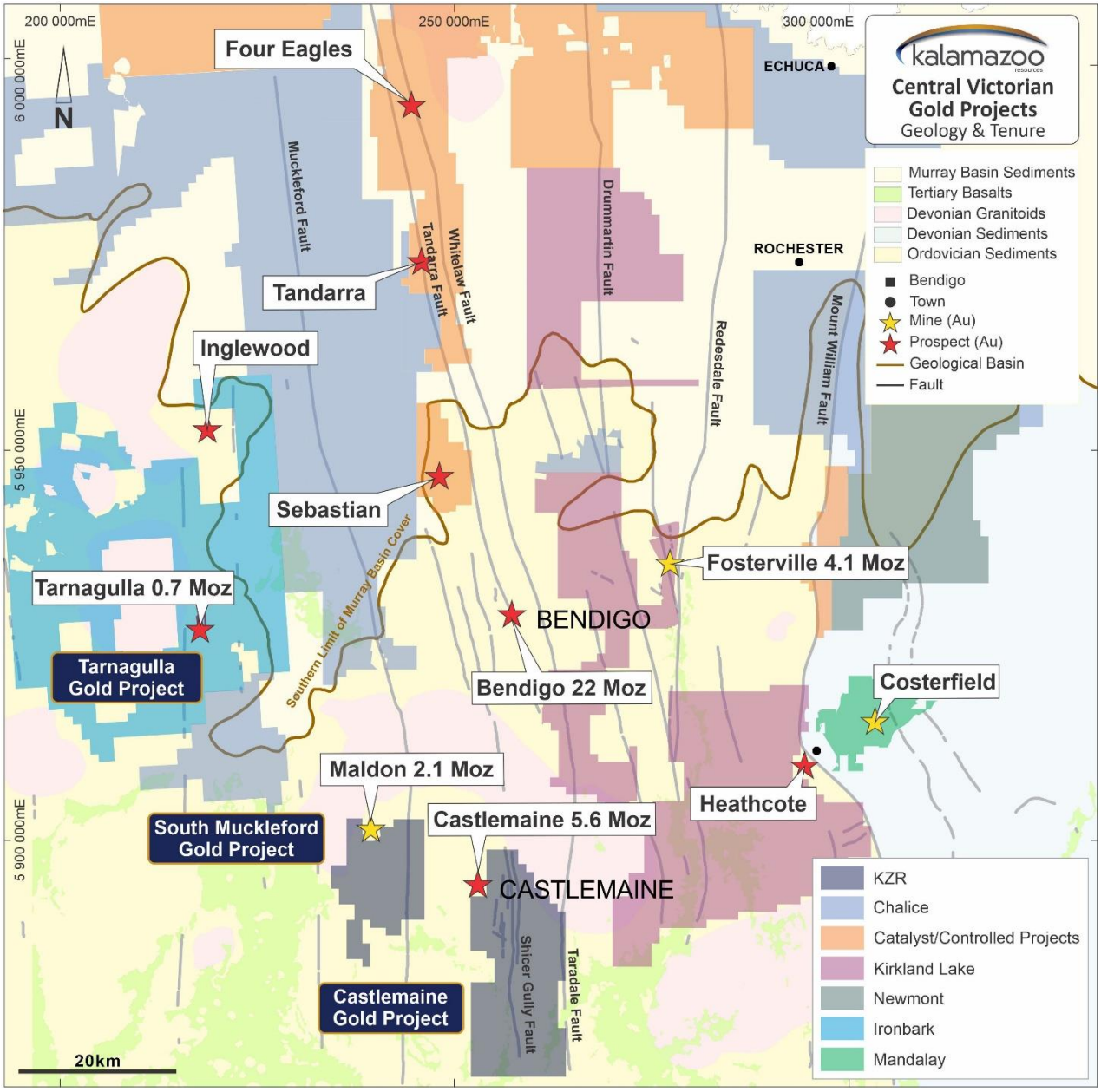

Figure 5: Central Victoria regional gold exploration tenure with Kalamazoo's Castlemaine and South Muckleford Gold Projects in grey

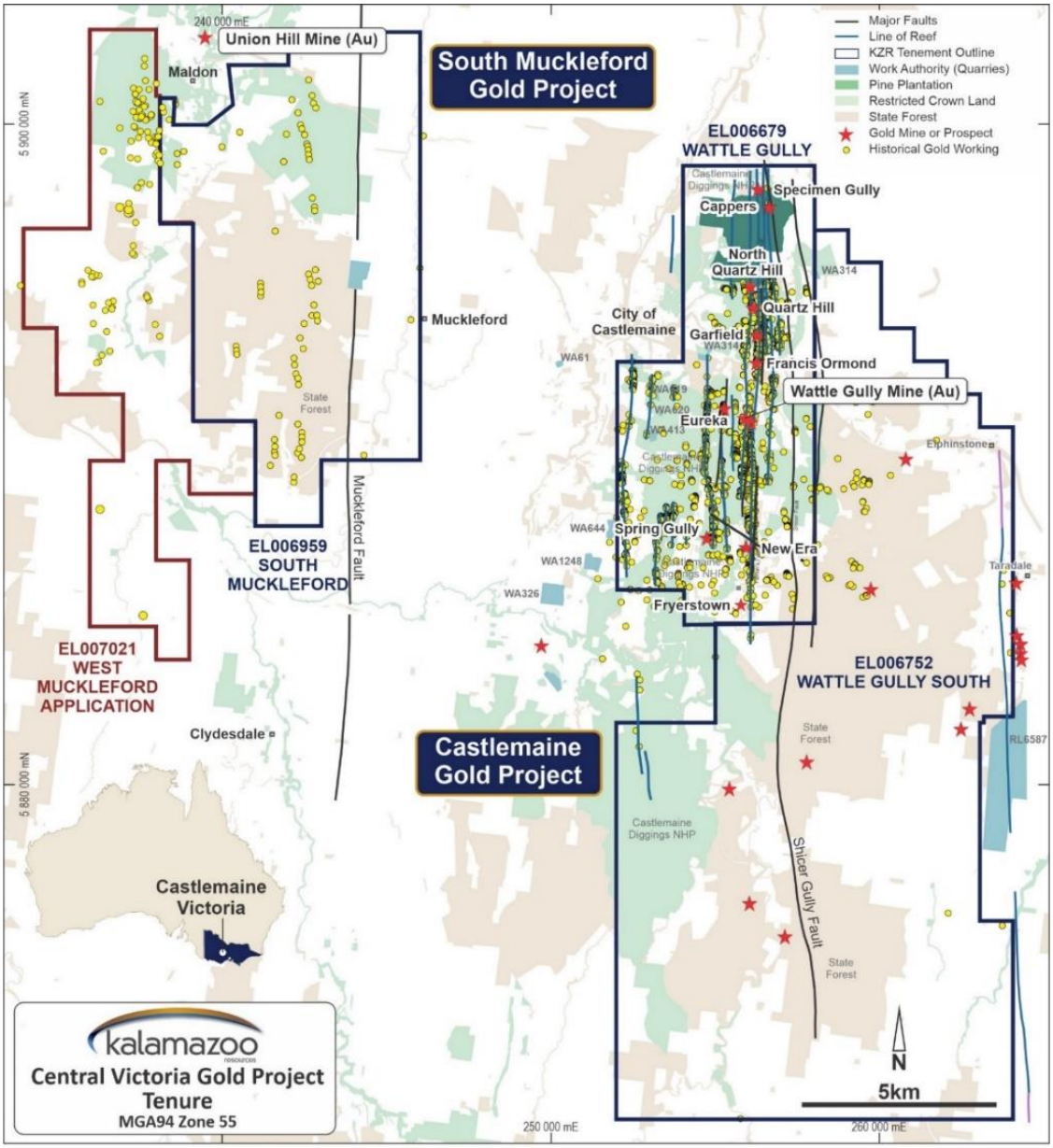

Figure 6. Castlemaine Gold Project Location (EL6679 and EL6752)

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Competent Persons Statement

The information for Kalamazoo'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 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.

Table 1. JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Samples referred to in this report are obtained from diamond drill core samples in Palaeozoic basement rocks of the Castlemaine Group. • Select diamond core intervals were cut and half-core sampled using a standard core-cutter. • Core sample length intervals range from 0.17m to 1.0m. • Sample intervals were selected based upon the interpreted presence of mineralisation as determined from detailed geological core logging.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling commenced with HQ3 then NQ3 (triple tube) diameter coring configuration. • Diamond core from the inclined holes are oriented every drill run using an electronic core orientation tool (Reflex). At the end of each drill run, the bottom of hole position is marked by the driller, which is later transferred to the whole drill core run length with a bottom of hole reference line.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drill core recovery is systematically recorded from the commencement of diamond coring to the end of the hole, by reconciling against driller's depth blocks and production plods with that obtained from the geological logging process. • Driller's depth blocks provided the depth, interval of core drilled, and interval of core recovered. • Any lost core is recorded in the production plod as well as marked with a driller's depth block. • Core recoveries were typically 100% with only isolated minor zones of lower recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral*	• Geological logging recorded qualitative descriptions of lithology, alteration, mineralisation, veining, and structure

Criteria	JORC Code explanation	Commentary
	Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	including orientation of key geological features for the entire hole length. • All drill core was photographed prior to cutting/sampling of the core.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond core was half-core cut and sampling at the Company's Castlemaine core yard. • Half core samples were placed in numbered calico bags and grouped in poly-weave bags for dispatch to the laboratory. • Samples were directly delivered to the laboratory by Kalamazoo personnel. • Sample preparation were conducted at Bureau Veritas Laboratory, Adelaide including sample drying and pulverising. • Duplicate samples were collected at a rate of 1:20. Duplicate results show an acceptable level of variability for the material sampled and style of mineralisation. • Sample weights are recorded and provided by the laboratory.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Assaying of the diamond core samples were conducted by Bureau Veritas Laboratory, Adelaide. • Gold analyses (ppm) were determined by 40g fire assay with AAS finish. • All samples were assayed for a further 37 elements using a 4-acid digestion followed by ICP-AES/ICP-MS determination. • Sampling and assaying quality control procedures consisted of the inclusion of Certified Reference Materials (CRMs), coarse 'blanks and sample duplicates within each batch (at least 1:20). • Assays of quality control samples were compared with reference samples for gold and verified as acceptable prior to use of data from analysed batches. QC of the remaining multi-element data is ongoing. • Analysis of the available QC sample assay results for gold indicates that an acceptable level of accuracy and precision has been achieved and the database contains no analytical data that has been numerically manipulated. The assaying techniques and quality control protocols used are considered appropriate for the data to be used for reporting exploration drilling results.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Sampling intervals defined by the Geologist are assigned sample identification numbers prior to core cutting. Corresponding sample numbers matching labelled calico bags are

Criteria	JORC Code explanation	Commentary
and assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	assigned to each interval. All sampling and assay information were stored in a secure database with restricted access. • Digital sample submission forms providing the sample identification number accompany each submission to the laboratory. • All geological logs and sampling documentation are validated and stored off-site with an independent third party. • Assay results from the laboratory with corresponding sample identification are loaded directly into the database. • No adjustments are made to assay data, and no twinned holes have been completed. Drilling intersects mineralisation at various angles. • The verification of significant intersections has been completed by company personnel and the Competent Person.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collar locations have been recorded with a 64s Garmin Handheld GPS with 3-5m accuracy. • Drill rig alignment was attained using a handheld compass and verified with downhole surveys collected near-surface followed by approximately every 30m. • All collar coordinates are provided in the Geocentric Datum of Australian (GDA94 Zone 55S). • RL data is verified utilising publicly available SRTM-derived (~30m pixel) Digital Elevation Model.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill hole spacing ranges is not systematic, nor grid based. Drill hole collar positions are based solely on the drilling of specific exploration targets. • The current drill hole spacing does not provide sufficient information for the estimation of a Mineral Resource. • Significant assay intercepts remain open. Further drilling is required to determine the extent of currently defined mineralisation. • No sample compositing is applied to samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Nominal drilling azimuth directions are approximately E-W as the strike of the geology is approximately north-south (range ~340° - 020°) dependent upon the location within the exploration licence. Therefore, the drill hole azimuth directions are approximately perpendicular to the prevailing strike of the local geology.
Sample security	• *The measures taken to ensure sample security.*	• Drill core was delivered from the drill rig to the Company core yard every shift.

Criteria	JORC Code explanation	Commentary
		• On completion of geological logging, core is stored on site at the Company core yard. • High resolution core photography and cutting of drill core was undertaken at the Company core yard. • All samples have been delivered direct to the laboratory by Kalamazoo personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Due to the limited duration of the program, no external audits or reviews have been undertaken.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• EL006679 is 100% owned by Kalamazoo Resources Ltd and is in good standing with no known impediments. • The drilling program referred to in this announcement has taken place wholly within a privately held Pine Plantation for which there is registered land access agreement. • A proportion of EL006679 consists of the Castlemaine Diggings National Park which is classified as Restricted Crown Land although that does not prohibit gold exploration and mining here. Although no mining is permitted within the top 0-100m depth horizon below the surface.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project area has been explored and mined for both alluvial and quartz-vein gold mineralization by numerous previous parties since 1851. • The results of this work including past production is described in numerous publicly available Geological Survey of Victoria publications. • Appraisal of the substantial volume of historical exploration and mine production records occurred during the due diligence period and is ongoing. • Kalamazoo Resources acquired a substantial drill hole database from the previous EL owners, Castlemaine Gold Fields/LionGold Corp. Historical drill holes within this database were used during the 3D Structural Geology Modelling reported.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Castlemaine Gold Project contains known gold deposits/occurrences typical of the Bendigo Zone of Central Victoria. • Primary gold mineralization is described as orogenic in nature, structurally controlled, and associated with quartz-veining and lesser sulphide mineralization.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• As provided.
		• The 3D structural geology model of the Pine Plantation was built utilizing available historical, oriented drill holes.
		• The historical drill hole database is a compilation of publicly available data derived from several sources. Whilst verified by Kalamazoo Resources as much as possible this data was used as a guide only in combination with other data such as Geological Survey of Victoria surface maps and the newly acquired geophysical surveys.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant assay intercepts are reported without the use of any length-weighted averages or cut-off grade.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Significant assay intervals reported represent apparent widths. Insufficient geological information is available to confirm the geological model and true width of significant assay intervals.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As provided.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only significant assay results have been reported with the majority of assay results stated as No Significant Assay (NSA).
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The 3D structural geology model referred to is based upon a compilation of several historical and newly acquired datasets as produced by PGN Geoscience on behalf of Kalamazoo Resources.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including*	• The current drilling program is ongoing with at least another 6-8 diamond drill holes planned within this Mustang Prospect.

Criteria	JORC Code explanation	Commentary
	the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	