

Kalamazoo Spin Out – Kali Metals Lodges Prospectus for \$12M IPO

Highlights

- Kalamazoo to spin out its Australian lithium projects via a demerger and concurrent Initial Public Offering (IPO) of Kali Metals
- Kali Metals Limited (proposed ASX Code: **KM1**) has lodged the Prospectus for its IPO with the Australian Securities and Investment Commission (“ASIC”)
- Kali is offering 48,000,000 shares at an issue price of \$0.25 per Share to raise \$12 million (before costs) with the ability to accept oversubscriptions for up to a further 12,000,000 Shares to raise an additional \$3 million (before costs)
- Agreement with TSX-listed Canadian gold miner Karora Resources Inc. (TSX: **KRR**) whereby at IPO, Karora will vend into Kali its lithium mineral rights across an extensive range of projects located south of Kalgoorlie, Western Australia (“**Higginsville Lithium Project**”)
- Kali’s extensive exploration portfolio (~**3,854km²**) is adjacent to world-class lithium mines and deposits in the Eastern Yilgarn (**1,505km²**) and Pilbara (**310km²**) in WA, and prospective greenfields lithium exploration projects in the Lachlan Fold Belt (**2,039km²**) in NSW and VIC
- Eligible Kalamazoo shareholders are expected to receive 1 ordinary Kali share for every 17.64 ordinary Kalamazoo shares (**1-for-17.64**) via an **in-specie distribution**, subject to final shareholder and regulatory approvals
- As part of the concurrent IPO, Kalamazoo shareholders will be entitled to subscribe for additional shares in Kali as a **priority offer**

Kalamazoo’s Chairman and CEO Luke Reinehr said today, “The IPO of Kali Metals offers potential shareholders with a great opportunity to invest in an incredible portfolio of lithium exploration assets. These assets include Kalamazoo’s lithium projects in the Pilbara (in JV with SQM - one of the world’s leading lithium producers) and Lachlan Fold Belt, and Karora’s Higginsville Project in the Eastern Yilgarn. Kali’s WA lithium projects are in world class hard-rock lithium regions, in close proximity to operational lithium mines and deposits which we consider provides Kali with an unrivalled exploration portfolio.

Kalamazoo shareholders are being provided with ongoing exposure to Kali’s exploration projects via an in-specie distribution of shares in Kali. In addition, our shareholders have the right to subscribe for additional shares, should they wish to participate in Kali’s IPO on a priority entitlement basis.”

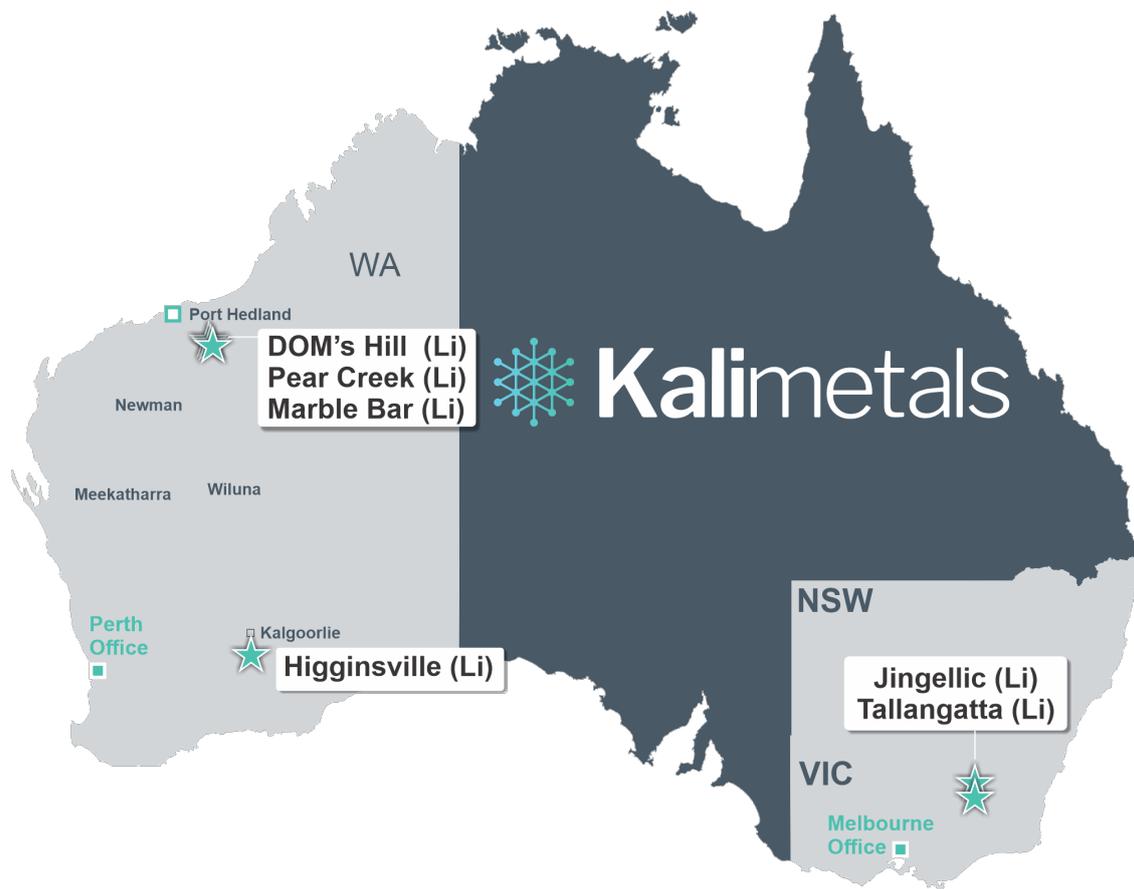


Figure 1: Kali Metals Portfolio of Australian Lithium Assets

Kalamazoo Resources Limited (ASX: KZR) (“Kalamazoo” or “the Company”) is pleased to advise that Kali Metals Limited (“Kali”) has lodged a prospectus (“Prospectus”) with ASIC on 3 November 2023 for a proposed Initial Public Offering (“IPO”).

Kali has been established from the spin out of Kalamazoo’s portfolio of Australian lithium assets in Western Australia, New South Wales, and Victoria combined with TSX-listed Canadian gold miner Karora Resources Inc. (“**Karora**”) (TSX:KRR) and its highly prospective lithium mineral rights across an extensive range of projects located south of Kalgoorlie, Western Australia (“**Higginsville Lithium Project**”).

Kali is offering 48,000,000 fully paid ordinary shares in the Company (“**Shares**”) at an issue price of \$0.25 per Share to raise \$12,000,000 (before costs) with the ability to accept oversubscriptions up to a further 12,000,000 Shares to raise an additional \$3,000,000 (before costs).

The total number of Shares expected to be on issue at listing (assuming \$15 million is raised) will be 144,146,345. All Shares will rank equally with each other. The Shares offered under the Prospectus (assuming \$15 million is raised and on an undiluted basis) will represent approximately 41.62% of the Shares on issue at listing.

On listing on the ASX, Kali’s ~3,854km² portfolio of assets will comprise:

- **Pilbara Region, WA** - The DOM’s Hill, Marble Bar, and Pear Creek Lithium Projects including title and all exploration rights. Kalamazoo will also assign its interests in the SQM Earn-in Agreement, which operates in respect of the DOM’s Hill and Marble Bar Projects, to Kali (Figure 2)

- **Eastern Yilgarn Region, WA** - Lithium Rights across the entire Higginsville Project tenements (Figure 3)
- **NSW / Victoria** - The Jingellic and Tallangatta Lithium Projects, including the option to earn a 100% interest in the MEG Lithium Rights at EL8958, located adjacent to the Jingellic Project (Figure 4)

The Kali Board of Directors comprises an experienced management team with a proven track record of value creation in place, led by Kalamazoo's Chairman/CEO Luke Reinehr as Non-Executive Chairman and Graeme Sloan as Managing Director. They are supported by Non-Executive Directors Paul Adams, John Leddy, and Simon Coyle.

The expected timetable for the IPO and ASX listing is as follows:

Prospectus Date	3 November 2023
Offer opens (Opening Date)	13 November 2023
Priority Offer Closing Date	4 December 2023
Offer (other than the Priority Offer) closes (Closing Date)	8 December 2023
Settlement	14 December 2023
Issue of Shares	15 December 2023
Expected dispatch of holding statements	18 December 2023
Expected commencement of trading of Shares on ASX on a normal settlement basis	22 December 2023

The dates above are indicative only and may change without notice. In particular, settlement of the IPO is subject to the conditions precedent to a number of Agreements being satisfied. Please refer to the Kali website (www.kalimetals.com.au) for more details.

The Prospectus also includes a Priority Offer to Eligible Kalamazoo Resources Shareholders (those Kalamazoo Shareholders with a registered address in Australia, New Zealand, and the United Kingdom as at the Priority Offer Record Date (being 5.00pm (AWST) on 9 November 2023) on the following terms:

- Minimum application size under the Priority Offer is \$2,000 worth of Shares. Applications in excess of the minimum number of shares must be multiples of at least \$500 worth of Shares.
- No maximum value of Shares that may be applied for under the Priority Offer. However, the maximum size of the Priority Offer is \$2 million. If there is a shortfall of Applications under the Priority Offer from Eligible Kalamazoo Shareholders, Kalamazoo will apply the shortfall to Applications received under the Broker Firm Offer.
- The Company, in consultation with the Joint Lead Managers, reserves the right to reject or scale back and Applications under the Priority Offer in their absolute discretion.
- Kali, in consultation with the Joint Lead Managers, may determine a person to be eligible to participate in the Priority Offer and may amend or waive the Priority Offer application procedures or requirements, in their discretion in compliance with applicable laws.
- The Priority Offer opens at 9.00am (AWST) on 13 November 2023 and is expected to close at 5:00pm (AWST) on the Closing Date (4 December 2023).

The offer of Shares is made in the Kali Prospectus, a full copy of which can be found at www.kalimetals.com.au. The offer (other than the Priority Offer) is scheduled to close on 8 December 2023 at 5.00pm (AWST) unless extended, closed early, or withdrawn.

Potential investors should consider the Prospectus in deciding whether to acquire the Shares offered by the Company. Anyone who wishes to acquire Shares will need to complete the application form that accompanies the Prospectus.

Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited have been appointed as the Joint Lead Managers to the IPO.

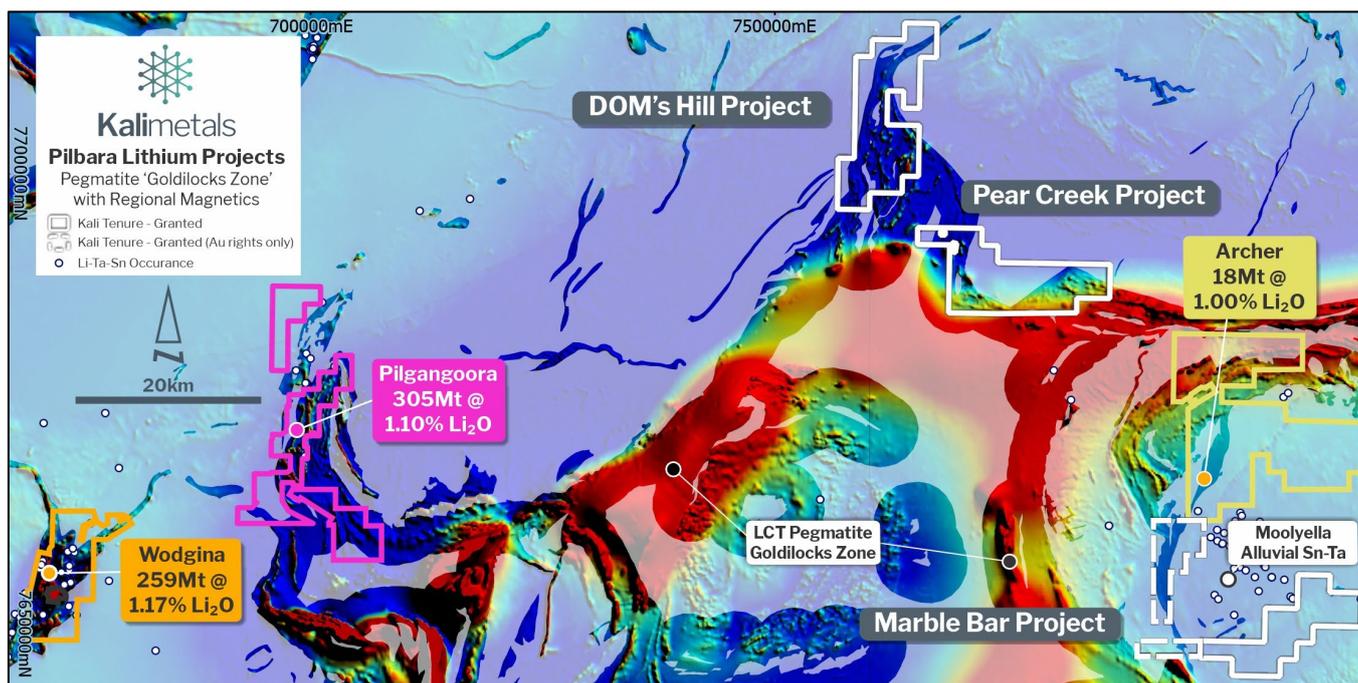


Figure 2: Pilbara Lithium Projects (DOM's Hill Project, Marble Bar Project, and Pear Creek Project)

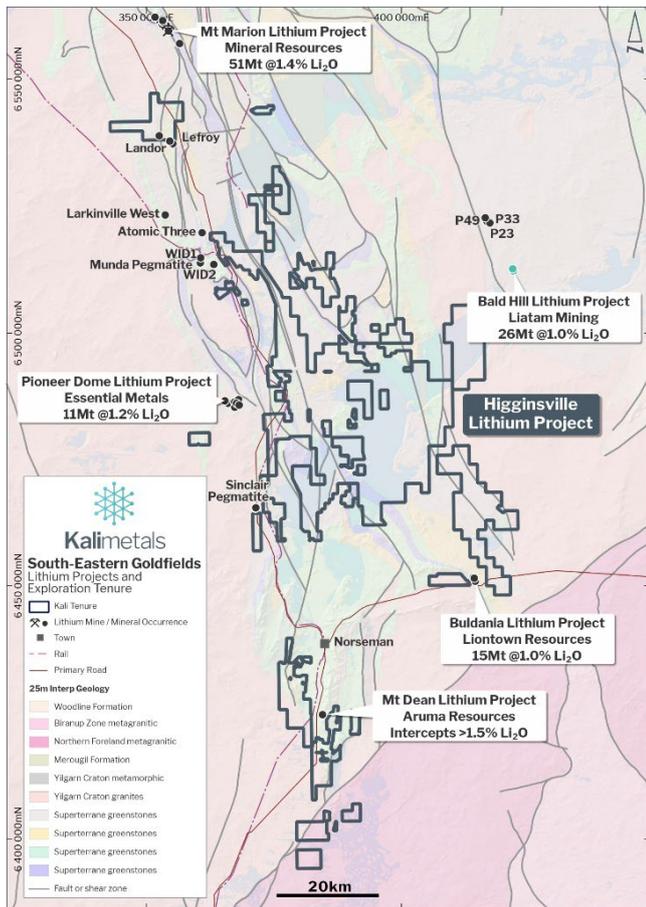


Figure 3: Higginsville Project – Eastern Yilgarn

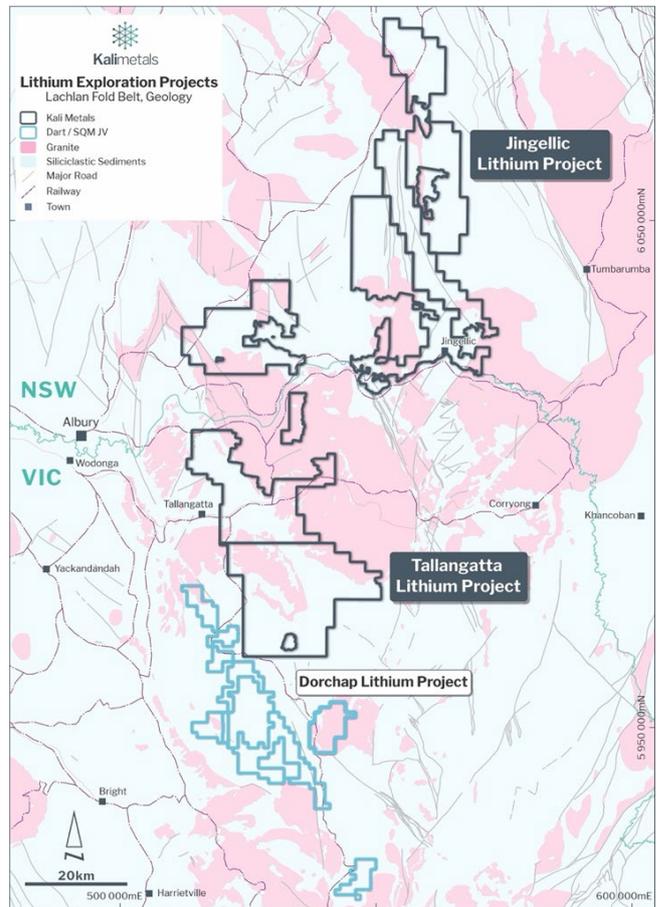


Figure 4: Jingellic Project and Tallangatta Project

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: ASX 8 May 2023

About Kalamazoo Resources Limited

Kalamazoo Resources Limited (ASX: KZR) is an ASX-listed exploration company with a portfolio of high-quality gold and lithium projects in Victoria, NSW and the Pilbara, WA. Kalamazoo is exploring at its 100% owned Castlemaine Goldfield (historical production of ~5.6Moz Au), south of the Maldon Goldfield (historical production of ~2Moz) and Mt Piper Gold Project near the world class Fosterville gold mine in Victoria. In the Pilbara, Kalamazoo's extensive exploration program is advancing the 100% owned Ashburton Gold Project to further increase the resource and progress development plans. Kalamazoo's WA lithium projects include the DOM's Hill and Marble Bar Lithium Projects in an exploration joint venture with the major Chilean lithium producer Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM) and the 100% owned Pear Creek Lithium Project. Kalamazoo's 100% owned Victorian/NSW lithium projects includes the Tallangatta and Jingellic in the newly emerging lithium province of the Lachlan Fold Belt. On 8 May 2023, Kalamazoo announced that it had entered into an agreement with Karora Resources Inc to vend their respective lithium projects and mineral rights into the newly formed Kali Metals Limited and to undertake an IPO. Kalamazoo has become the first gold and lithium explorer operating in Australia to be certified carbon neutral for its business operations under the Federal Government's Climate Active Program, with projected 2022 emissions fully offset achieved with a verified environmental reforestation program in Western Australia.

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 contractor.