

Kalamazoo enters Pilbara Exploration JV with Leading Lithium Producer SQM

Highlights

- Kalamazoo and the Chilean lithium producer Sociedad Química y Minera de Chile S.A. (**SQM**) (NYSE: SQM) have entered into an agreement providing SQM with an exploration option and earn-in across two of Kalamazoo's Pilbara lithium projects in Western Australia (**Joint Venture or JV**)
- SQM has been granted the right to earn an initial 30% interest (and can earn a maximum of 70%) in all mineral rights at Kalamazoo's DOM's Hill and Marble Bar Lithium Projects by sole funding a minimum of **A\$12 million** of exploration and development activities over the next four years
- SQM is one of the world's leading lithium producers with its main asset in Australia being its 50% joint venture interest in the Mt. Holland Lithium Project
- Kalamazoo is in an active search for new greenfield lithium exploration opportunities, with the goal of discovering and developing long-life, large scale lithium deposits in Australia
- Recent studies, high-resolution satellite imagery, field reconnaissance and geochemical soil sampling have identified significant pegmatite-hosted Lithium-Caesium-Tantalum (**LCT**) mineralisation potential at Kalamazoo's 100% owned DOM's Hill Lithium Project
- The DOM's Hill Lithium Project (**122km²**) covers highly prospective Archaean granite-greenstone terrane in proximity to two of the world's largest pegmatite-hosted lithium mines at Pilgangoora (Pilbara Minerals Ltd ASX: PLS) and Wodgina (Albemarle NYSE: ALB/Mineral Resources Ltd ASX: MIN)
- Kalamazoo as the JV's initial exploration manager has completed project wide geochemical soil sampling programs at both DOM's Hill and Marble Bar during September – December 2021 (~4,900 and ~3,700 samples respectively) with high priority drill targets now identified for a minimum ~5,000m RC drill program early in the 2022 field season

Kalamazoo's Chairman and CEO Luke Reinehr said today, *"We are delighted to have established this significant exploration partnership with SQM. Although early stage, the DOM's Hill Lithium Project, hosts one of the closest geologic analogues to the nearby world-class Pilgangoora and Wodgina lithium mines. It is a terrific validation that SQM, one of the world's major lithium producers, shares our confidence in the potential to discover another large-scale lithium deposit in the Pilbara. This JV now provides us with the opportunity to tap into SQM's undoubted lithium expertise and participate in a very focused exploration and potentially development program. This is an important initiative for Kalamazoo and adds to our major assets at the 1.65Moz Ashburton Gold Project and our portfolio of gold projects in Victoria."*

SQM's Senior Vice-President, Pablo Altimiras said today, *"We are delighted to start this new endeavour with Kalamazoo, and we are confident that we can leverage the strengths of both partners to find and potentially develop a new lithium project in the Pilbara."*

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Kalamazoo Resources Limited (**ASX: KZR**) (“Kalamazoo” or the “Company”) is pleased to advise that it has entered an exploration/development option and earn-in with the leading Chilean lithium producer Sociedad Química y Minera de Chile S.A. (“**SQM**”) in respect of Kalamazoo’s 100% owned DOM’s Hill and Marble Bar Lithium Projects in the East Pilbara WA (Figure 1). SQM has been granted the right to earn an initial 30% interest (to a maximum of 70%) in all mineral rights at Kalamazoo’s DOM’s Hill and Marble Bar Lithium Projects, by sole funding a minimum of **A\$12 million** of exploration and development activities over the next four years.

SQM is one of the world’s largest producers of lithium carbonate and lithium hydroxide accounting for approximately 19% of global lithium chemicals sales volumes in 2020¹.

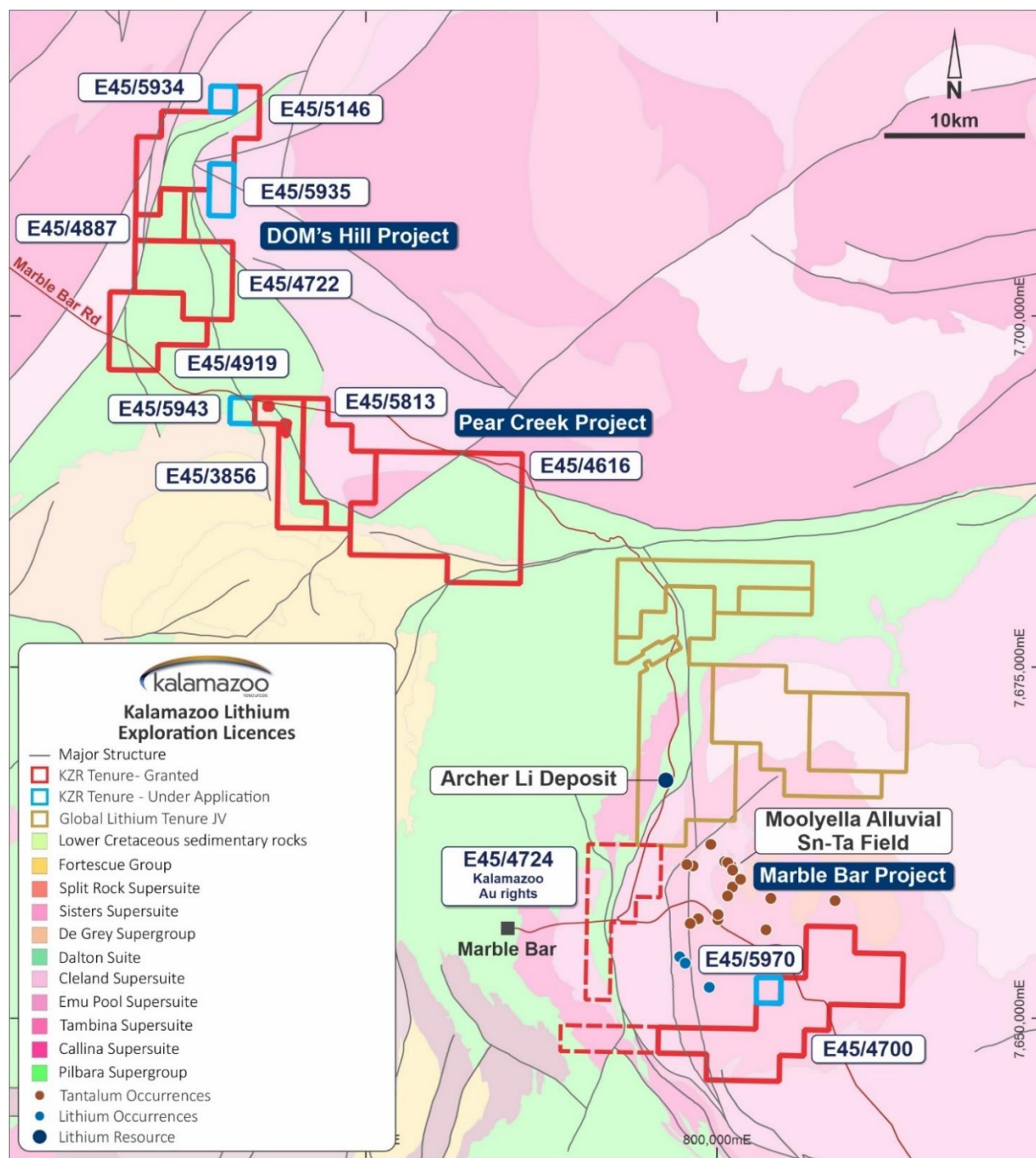


Figure 1: Location of Kalamazoo’s lithium exploration projects at DOM’s Hill and Marble Bar, East Pilbara Region WA, with the recently acquired Pear Creek Lithium Project. Note that Kalamazoo has gold rights only in respect of E45/4724.

¹ SQM 2020 Annual Report, Form 20-F <https://ir.sqm.com/English/financials/annual-reports/default.aspx>

Lithium Market

In its latest *World Economic Outlook*², the International Monetary Fund (IMF) has forecast that there will be a sixfold increase in demand for “critical minerals” worth \$US12.9 trillion (\$17.6 trillion) over the next two decades, driven by the race to hit net zero emissions.

The IMF has selected copper, nickel, lithium, and cobalt as the top four energy transition metals likely to see surges in prices and production as the developed world works towards net zero emissions by 2050.

The IMF forecasts that lithium production will need to increase six-fold as a key component in batteries and renewable energies that are crucial in the transition from fossil fuels to low emission electricity (Figure 2). The impetus for the increased demand for lithium is being driven from multiple sources. In Europe, countries across the EU are implementing laws that not only commit to net zero by 2050 but are also banning internal combustion engine cars within the next 10 years. The car manufacturers are racing each other in matching these commitments with VW, Ford, Mercedes, Mini, Jaguar, Volvo, and Bentley all recently announcing plans to limit or abandon petrol and diesel engines in favour of lithium battery-electric vehicles (“EV’s”)³.

In the US, General Motors Corporation has announced that it is planning to transition to carbon neutral by 2040, with the Biden administration proposing that 50% of all new cars and trucks being EV’s by 2030. In China, 40% of total car sales are being targeted as EV’s by 2030.

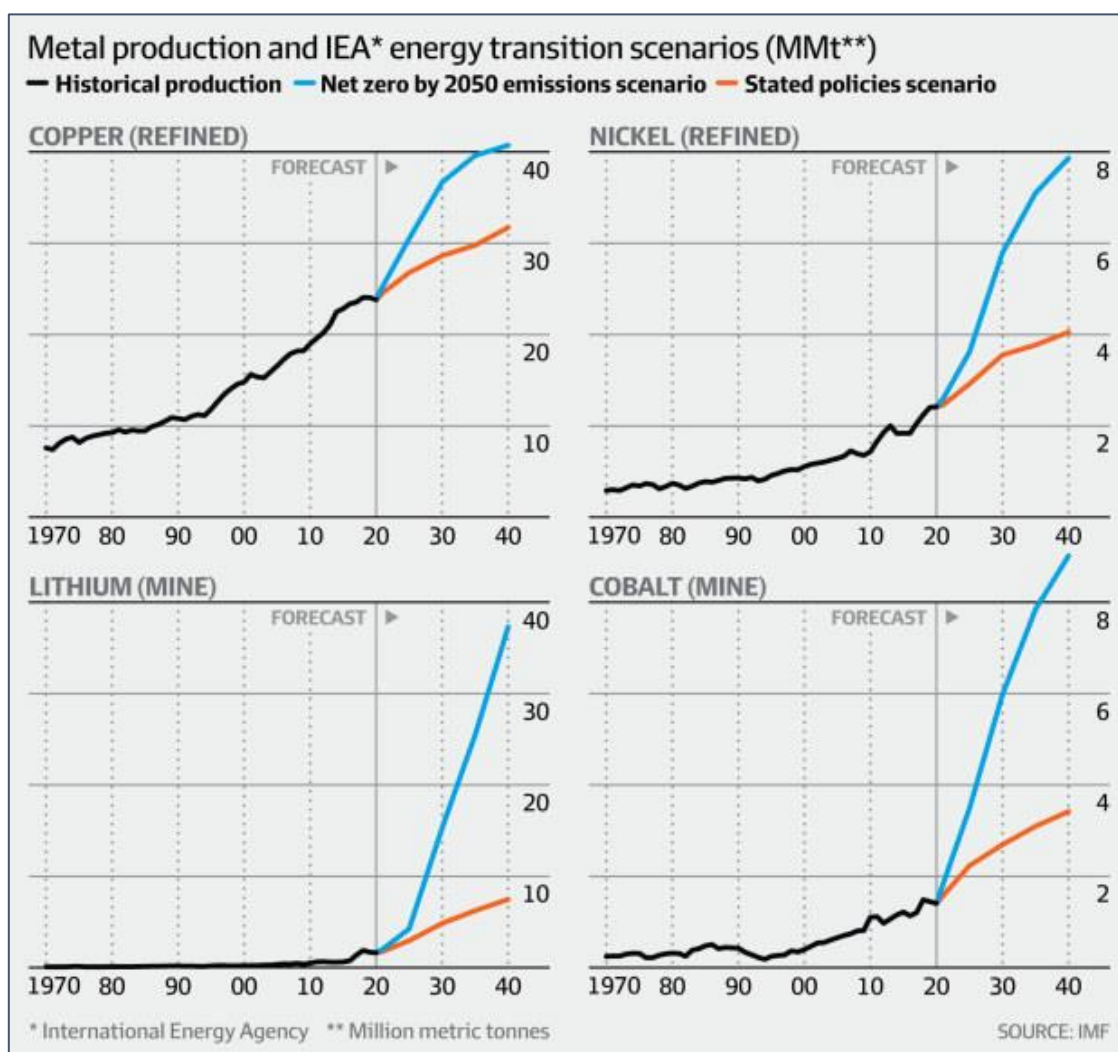


Figure 2: International Monetary Fund “Energy Transition Metals”, October 2021

² <https://www.imf.org/en/publications/weo>

³ “Eye on Lithium” 26 October 2021, Bell Potter

Key Terms

Kalamazoo's DOM's Hill and Marble Bar Lithium Projects have always been considered prospective for gold and base metal deposits yet surprisingly, despite their proximity to two of the world's largest hard-rock lithium mines, there has been no previous exploration for lithium undertaken within the tenements. This may be partly explained by some of the project area being overlain by a thin veneer of younger sedimentary cover.

Sparked by the regional setting and recent work completed by Kalamazoo, the area has now been identified as highly prospective for rare-element granitic pegmatites of the LCT geochemical group.

The key terms of the Option and Earn-in Agreement between Kalamazoo and SQM are:

- SQM is entitled to sole fund **A\$12 million** of exploration activities over 4 years to earn a 70% interest in the mineral rights at Kalamazoo's DOM's Hill and Marble Bar Projects
- The mineral rights are to explore, mine and treat any minerals on the tenements
- SQM has the right to exercise its option to form a Joint Venture with Kalamazoo after earning its interest as follows:
 - First Earn-in (Kalamazoo 70% interest and SQM 30% interest)
 - Second Earn-in (Kalamazoo 50% interest and SQM 50% interest)
 - Third Earn-in (Kalamazoo 30% interest and SQM 70% interest)
- After the formation of the Joint Venture, the parties must contribute to all Joint Venture expenditure in proportion to their respective JV interest or dilute based on their percentage interest to maintain their respective interests
- Kalamazoo and SQM to establish a Technical Advisory Committee to determine exploration activities
- Kalamazoo will be the initial Manager of the Joint Venture
- Both Kalamazoo and SQM have a right of first offer to acquire the other party's interest should that party wish to sell

DOM's Hill and Marble Bar Lithium Projects

Kalamazoo and SQM consider that based on preliminary work and its regional setting, the DOM's Hill Lithium Project area is highly prospective for rare-element granitic pegmatites of the LCT geochemical group.

Significantly, the project contains a similar geological setting and target host rocks strongly analogous to that of the nearby world class Pilgangoora and Wodgina pegmatite-hosted lithium deposits (Figure 3).

Additionally, there has also been significant lithium potential recently identified at Kalamazoo's 100% owned Marble Bar Project, 10km south-east of Marble Bar⁴.

⁴ ASX: KZR 7 December 2021

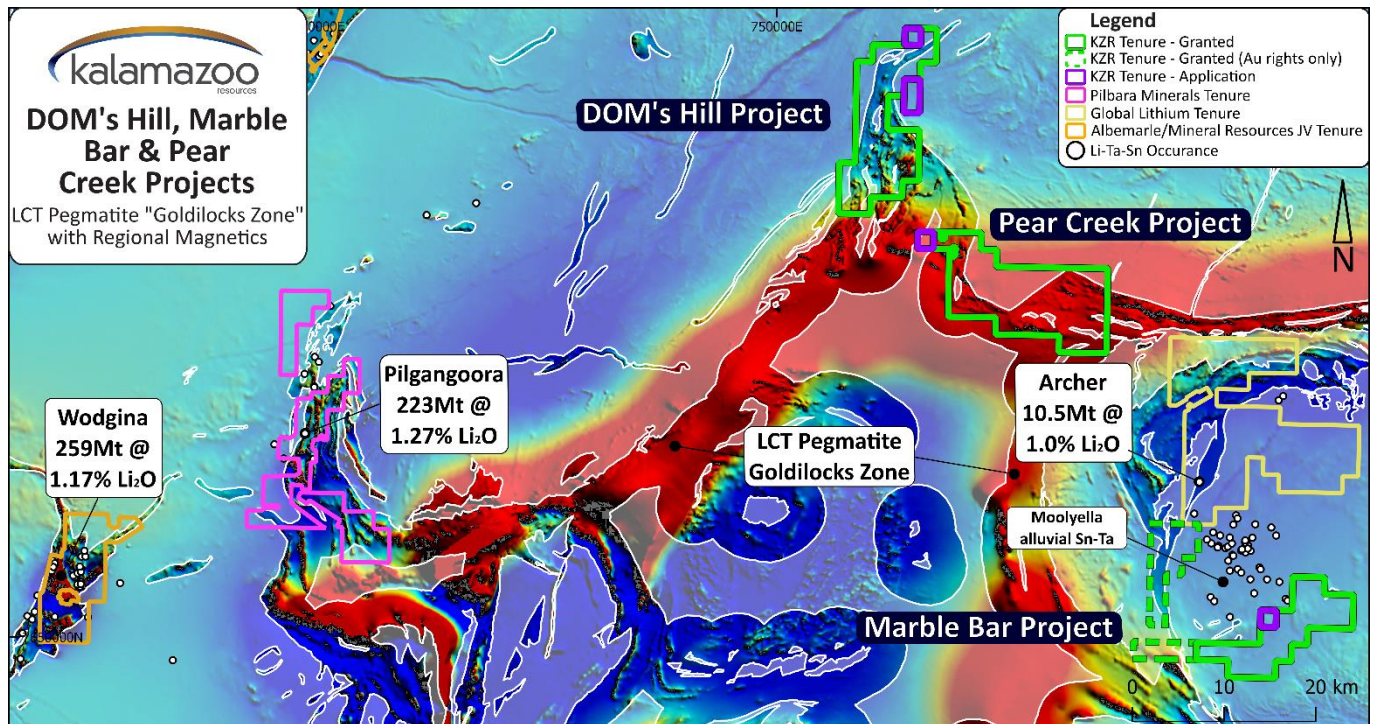


Figure 3: Location of the DOM's Hill Lithium Project with respect to the Pilgangoora and Wodgina lithium mines and the Archer lithium deposit on a background WA regional-scale aeromagnetic image⁵. The interpreted "Goldilocks Zone" is defined as a 4km wide zone located along the Archean granite-greenstone contact area.

DOMS Hill Lithium Project (E45/4722, E45/4887, E45/4919 and E45/5146 and applications E45/5934, E45/5935 and E45/5943)

The project area has historically been considered prospective for a range of gold, nickel, cobalt, and base metal deposits. Past exploration has highlighted the potential for shear hosted lode gold mineralisation with numerous advanced targets identified. Numerous gold nuggets have been discovered in the area⁶, however despite its proximity to two of the world's largest hard-rock lithium mines, there has been no previous exploration for lithium undertaken at the DOM's Hill Project.

The lithium mineralisation potential of the DOM's Hill Lithium Project was initially highlighted during a recent project technical review completed by Dr Nigel Brand, a noted WA-based lithium geochemistry expert.

Dr Brand concluded that the project area geology was analogous to that of the nearby Pilgangoora and Wodgina lithium deposits. The project geology for the region, and in particular the granite-greenstone contact zone, or "Goldilocks Zone", is clearly shown in the WA aeromagnetic image (Figure 3).

In mid-2021, as a first pass reconnaissance investigation, Kalamazoo revisited and completed pXRF analyses of 732 soil sample pulps, previously collected within E45/5146 for gold exploration purposes, for indications of potential LCT pegmatite mineralisation. These 732 soil samples were originally collected in late 2020 as part of a gold-focused exploration program and were submitted for Ultrafine+™ multi-element analysis (Figure 4). However, the Ultrafine+™ method utilises an aqua regia digestion, which is sub-optimal for the detection of lithium and associated path finder elements.

⁵ Western Australian Department of Mines, Industry Regulation and Safety website: Lithium in Western Australia, June 2021

⁶ ASX: KZR 6 October 2017, ASX: KZR 2 December 2019

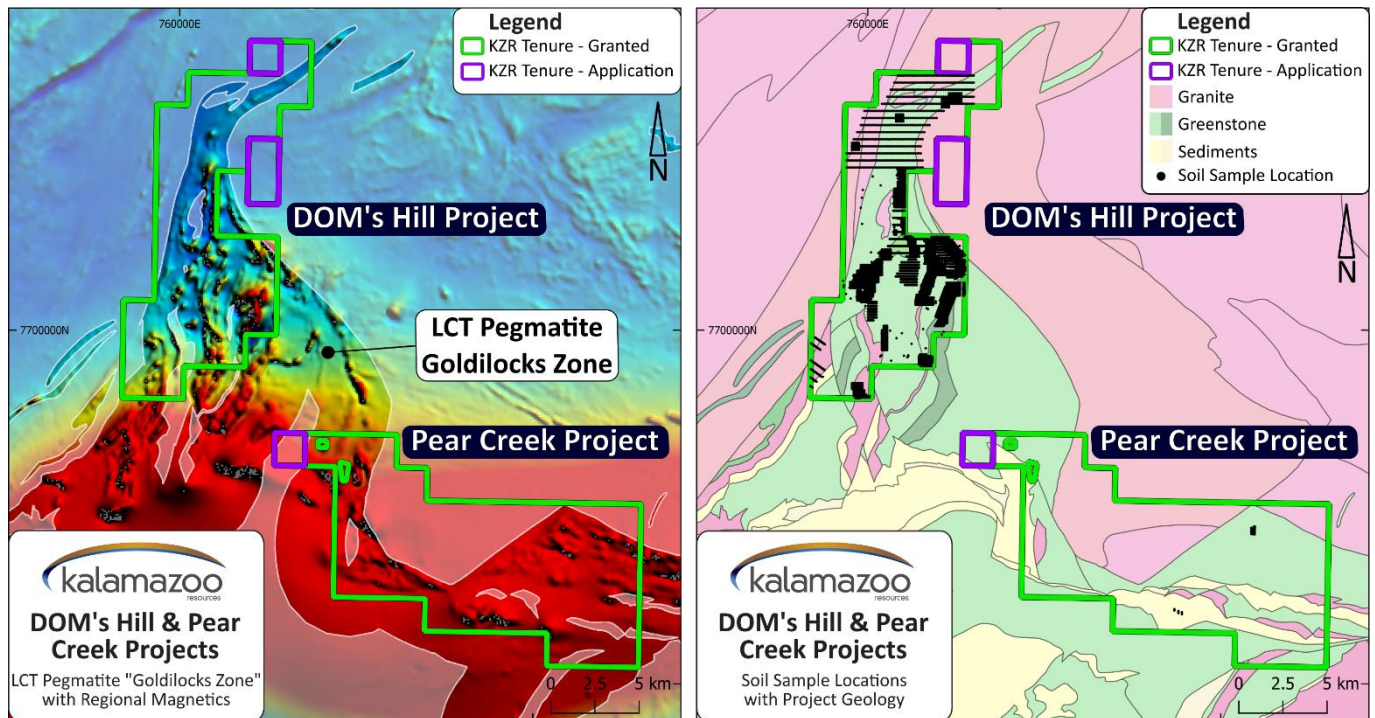


Figure 4: (LHS) Location of Kalamazoo's DOM's Hill and Pear Creek Lithium Project area with respect to the interpreted "Goldilocks Zone" for LCT pegmatite mineralisation on a background regional aeromagnetic image; and **(RHS)** distribution of Kalamazoo and historical soil and rock chip sampling across the DOM's Hill Lithium Project. Note that the historical surface samples are deemed ineffective/non-existent for Li exploration and are now subject to a new project wide soil sampling program.

Consequently, these pulps were re-analysed with a pXRF unit involving a specialised "Li Index" function developed by Portable Spectral Services Pty Ltd. The pXRF Li Index provides a proxy for Li content via a correlation with a suite of five elements (Rb, Nb, Ta, Ga, and Cs) that are resolvable by pXRF and calibrated against certified reference materials. Note that these soil samples were collected on a broad 400m x 100m spaced grid, which is considered "regional-scale" for a first pass reconnaissance lithium exploration program. The results of the pXRF Li Index analyses have identified highly prospective areas-of-interest possibly related to potential LCT pegmatite mineralisation, three of which are considered high priority.

Importantly, the highest priority targets are spatially associated with prospective geological features/settings identified in recently acquired high resolution WorldView-3 satellite imagery (Figure 5). These identified areas-of-interest are now the focus of follow-up field and laboratory verification with more detailed infill soil sampling to be completed across these priority areas.

Kalamazoo was very encouraged by these early soil sampling results, especially as E45/5146 is just one (northern) of four granted tenements, with another three exploration tenements under application. As a result, Kalamazoo immediately commenced a project-wide soil sampling program on a more detailed 200m x 100m grid⁷. This geochemical sampling program delivered ~4,900 samples and was completed on 19 November 2021.

All soil samples have been subjected to an initial pXRF Lithium Index analysis with results currently being compiled and reviewed before selected subsets are submitted for laboratory assay analysis. This methodology will ensure that the exploration program can be accelerated and completed cost efficiently.

⁷ ASX: KZR 8 September 2021

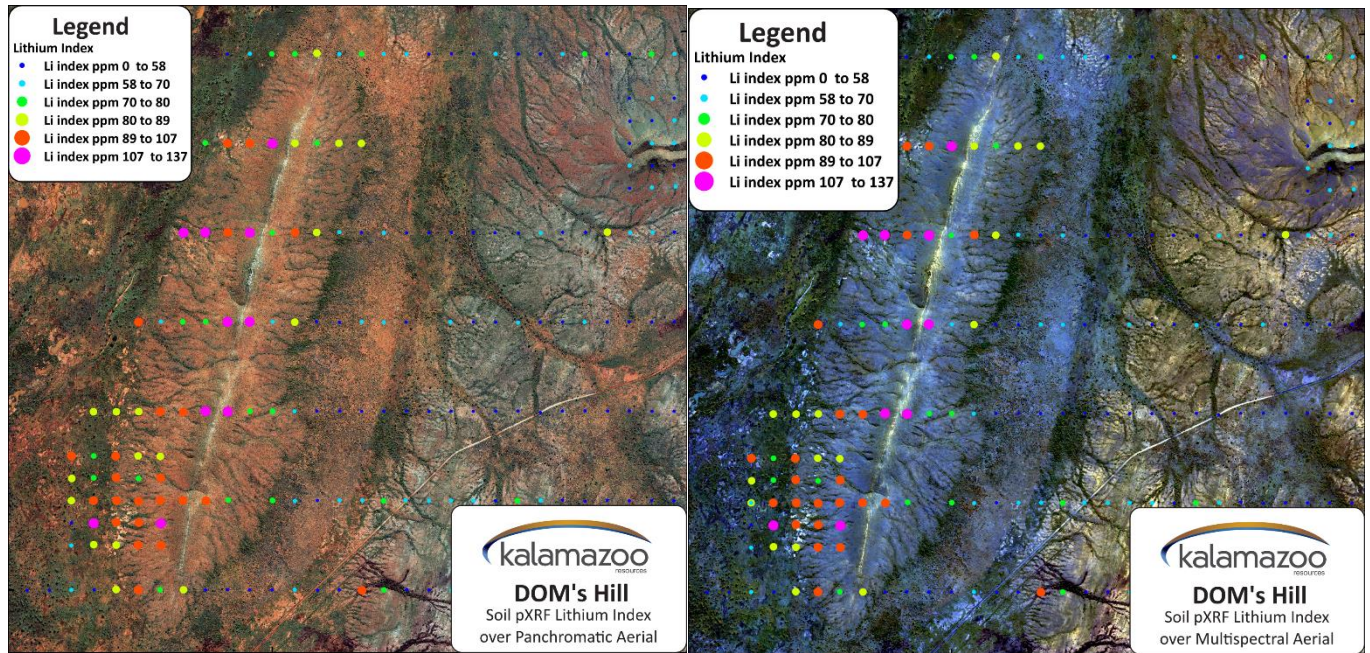


Figure 5: ~2-4km long linear pXRF Li-Index anomaly spatially associated with a mapped quartz filled shear zone (interpreted quartz core of a pegmatite dyke) in close proximity to (covered) granite-greenstone contact. Note exposed granite and greenstone units are shown in the western and eastern parts of this image, respectively, whilst the central contact position is obscured by thin cover. **(LHS):** on background WorldView-3 panchromatic image **(RHS):** same image on background WorldView-3 multi-spectral image⁸

Marble Bar Lithium Project (E45/4700 and application E45/5970)

Kalamazoo has recently completed a technical review of its Marble Bar tenements, which has also revealed additional lithium exploration potential. This review was focused on Kalamazoo's 100% owned granted tenement E45/4700 and exploration licence application E45/5970.

Kalamazoo considers this area to be highly prospective for lithium mineralisation due to its favourable proximity to the margin of the Moolyella tin and tantalum alluvial field, which includes known cassiterite-bearing pegmatites. In addition, within and nearby these tenements, there are historical reports of mapped pegmatites and lithium occurrences. Whilst the known lithium occurrences are largely comprised of lithium micas (i.e., lepidolite) this area demonstrates the positive characteristics and empirical evidence favourable for the presence of spodumene-bearing pegmatites.

Although Kalamazoo's Marble Bar Project has not been the subject of any modern exploration for lithium, Global Lithium Resources Limited (ASX: GL1) has recently announced a maiden Inferred Resource for the nearby 10.5Mt @ 1.0% Li₂O Archer deposit on the margin of the Moolyella tin and tantalum field, approximately 25kms to the north (Figure 1)⁹. This development provides further confidence of the lithium prospectivity in the immediate region.

A project wide soil sampling program on a detailed 200m x 100m grid (~3,700 samples) was completed at the Marble Bar Lithium Project on 13 December 2021. The pXRF analyses of these samples is expected to be completed mid-late January 2022.

During a brief field reconnaissance exercise at Marble Bar in early December 2021, Kalamazoo's geologists recorded numerous outcropping pegmatite dyke occurrences along existing tracks some of which contained visible amounts of lepidolite (ASX: KZR 14 December 2021). These occurrences support historical reports of lithium-enriched pegmatites recorded elsewhere within the northern parts of E45/4700.

⁸ ASX: KZR 23 August 2021

⁹ ASX: GL1 4 May 2021

Kalamazoo considers the occurrence of numerous pegmatite dykes, some of which are lithium enriched, on the margins of the Moolyella Monzogranite source intrusion and related alluvial tin-tantalum field as strong positive indications of LCT prospectivity in E45/4700. Given this field reconnaissance exercise was brief and largely restricted to existing tracks, further highlights the potential to discover more pegmatites.

Pear Creek Lithium Project (E45/3856, E45/4616 and E45/5813)

Kalamazoo has recently acquired 100% of additional new lithium exploration tenure (~147km²) in close proximity to the DOM's Hill and Marble Bar Lithium Projects (ASX: KZR 14 December 2021). The Pear Creek Lithium Project also includes ~25km strike extent of prospective 1-7km wide Archaean granite-greenstone contact "Goldilocks Zone" and will be subject to an extensive exploration program to advance it to a drill-ready status. Due to its very recent acquisition, the Pear Creek Lithium Project has yet to be considered by Kalamazoo and SQM for inclusion into their exploration partnership.

Next Steps

The Joint Venture's priority at the DOM's Hill and Marble Bar Lithium Projects is to now focus on advancing towards a drill-ready status, which will include the following:

- Complete the compilation and review of the ~4,900 samples collected from the project wide geochemical soil sampling program at the DOM's Hill Lithium Project
- Complete the project wide geochemical soil sampling program at the Marble Bar Lithium Project on detailed 200m x 100m spaced sampling grids by mid-December 2021
- All soil samples to be analysed and evaluated by pXRF Lithium Index analysis before select subsets are submitted for laboratory assay analysis
- Heritage clearances and all necessary permitting
- Further field reconnaissance and mapping campaigns to follow-up soil geochemistry anomalies indicative of LCT-pegmatite style mineralisation
- Design and undertake a minimum ~5,000 RC drill campaign early in the 2022 field season

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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 6 October 2017

ASX: KZR 8 July 2021

ASX: KZR 23 August 2021

ASX: KZR 8 September 2021

ASX: KZR 2 December 2019

ASX: KZR 7 December 2021

ASX: KZR 14 December 2021

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 and the Pilbara, WA. Kalamazoo is exploring at its 100% owned Castlemaine Goldfield (historical production of ~5.6Moz Au) and south of the Maldon Goldfield (historical production of ~2Moz) near the world class Fosterville gold mine in Victoria. In the Pilbara, Kalamazoo's extensive exploration programs are advancing the 100% owned Ashburton Gold Project to further increase the 1.65Moz Au resource and progress development plans, with work recently commencing at the DOM's Hill and Marble Bar Lithium Projects after identifying significant potential for LCT pegmatite-hosted lithium mineralisation.

About Sociedad Química y Minera de Chile S.A.

SQM is a global company that is listed on the New York Stock Exchange and the Santiago Stock Exchange (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A). SQM develops and produces diverse products for several industries essential for human progress, such as health, nutrition, renewable energy and technology through innovation and technological development. SQM aims to maintain its leading world position in the lithium, potassium nitrate, iodine and thermo-solar salts markets.

Ashburton Gold Project

The information in this announcement that relates to the Mineral Resources for the Ashburton Gold Project is based on information announced to the ASX on 23 June 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply.

Table 1: Ashburton Gold Project (JORC Code 2012) Mineral Resources

ASHBURTON GOLD PROJECT MINERAL RESOURCES										
	INDICATED			INFERRED			TOTAL			
	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Tonnes (000's)	Grade (g/t)	Ounces (000's)	Cut off Grade
Mt Olympus	6,038	2.3	448	9,138	2.2	632	15,176	2.2	1,080	0.7 g/t Au
Peake	113	5.2	19	3,544	3.3	380	3,657	3.4	399	0.9 g/t Au
Waugh	347	3.6	40	240	3.6	28	587	3.6	68	0.9 g/t Au
Zeus	508	2.1	34	532	2.2	38	1,040	2.2	72	0.9 g/t Au
Romulus	-	-	-	329	2.6	27	329	2.6	27	0.9 g/t Au
TOTAL RESOURCES	7,006	2.4	541	13,783	2.5	1,105	20,789	2.5	1,646	

Cautionary Statement

It should be noted that the information in this announcement is based only on preliminary visual field observations and early-stage soil geochemistry analyses. The Company has not yet confirmed whether lithium mineralisation is present, given that this can only be determined through drill testing and laboratory analysis.

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.

Competent Persons Statement

The information in this announcement for the Pilbara Lithium 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.

The information in this announcement that relates to the estimation and reporting of mineral resources at the Ashburton Project is based on information compiled by Dr Damien Keys, a competent person who is a Member of Australian Institute of Geoscientists. Dr Keys is an employee of Complete Target Pty Ltd who is engaged as a consultant to Kalamazoo Resources Limited. Dr Keys 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 Keys 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.