

Kalamazoo Resources Ltd

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Kalamazoo Resources shares up 30% as Novo Resources and Eric Sprott become major investors

Kalamazoo Resources Ltd (ASX:KZR) has received firm commitments to raise \$8 million through a placement of 20 million fully paid shares and 20 million attaching unlisted options to Novo Resources Corp (CVE:NVO) and renowned Canadian resources investor Eric Sprott.

Canadian listed gold explorer Novo Resources and Eric Sprott each subscribed to 10 million Kalamazoo shares at 40 cents per share to raise \$8 million.

Each new share issued will have an attaching option, exercisable at 80 cents within 18 months.

Kalamazoo will use funds to expand its exploration and drilling programs at Castlemaine, South Muckleford and Tarnagulla Central Gold Projects in Victoria.

"Terrific endorsement"

Kalamazoo's chairman and CEO Luke Reinehr said: "The investment of \$8 million by Novo and Eric Sprott is a terrific endorsement of our Central Victorian Goldfield's strategy to explore smarter, using new technologies and innovations in a low impact manner.

"Whilst still in the very early days of our maiden drill program at the Castlemaine Gold Project, the exceptionally high-grade intersection of 1.42m @ 261.3 g/t Au from 100.32 metres made in December 2019 is extremely encouraging, especially as the visible gold-bearing quartz vein appears to have only been partially intersected or clipped.

"This high-grade intersection supports our exploration strategy to focus on the incredibly rich historical Castlemaine and South Muckleford goldfields in our search for the next major gold deposit in Central Victoria, particularly due to their close proximity and geological similarities to Kirkland Lake's (ASX: KLA) world-class high-grade underground mine at Fosterville 45 kilometres north-east."

Asset base "complementary to Novo's"

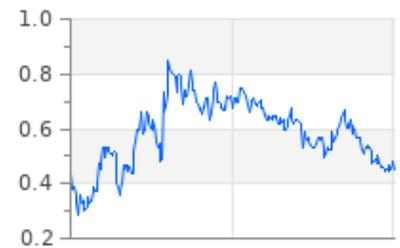
Novo's primary focus is to explore and develop gold projects in the Pilbara region of Western Australia after having built a substantial land package covering around 13,000 square kilometres with varying ownership interests.

Reinehr added: "Kalamazoo's asset base in Victoria and the Pilbara region of Western Australia is complementary to Novo's and Eric Sprott's existing investment strategy in Australia.

Price: 0.455

Market Cap: \$59.58 m

1 Year Share Price Graph



March 2020 September 2020 March 2021

Share Information

Code: KZR

Listing: ASX

52 week High Low
1 0.255

Sector: Mining

Website: www.kzr.com.au

Company Synopsis:

Kalamazoo Resources Ltd (ASX:KZR) is listed on the Australian Securities Exchange.

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"It is very pleasing that both Quinton and Eric recognise and support our exploration and commercial strategy and we firmly believe that Quinton will add tremendous technical and practical experience to our team led by our Victorian exploration manager Dr. Luke Mortimer."

Strategic investors

Dr. Quinton Hennigh is an internationally renowned economic geologist, with more than 25 years of exploration experience and expertise with major gold mining companies including Homestake Mining Company, Newcrest Company, Newcrest Mining Limited, and Newmont Mining Corporation.

Quinton has made several significant gold discoveries for Canadian exploration companies such as the 5 million oz. Springpole alkaline gold deposit near Red Lake, Ontario, for Gold Canyon Resources, and the Rattlesnake Hills Gold Project for Evolving Gold.

During Eric Sprott's tenure as chairman, Kirkland Lake Gold emerged as one of the leading global gold companies with the Fosterville Gold mine considered one of the world's highest grade and profitable gold operations.

Sprott said: "The Victorian goldfields appear ripe for more high-grade discoveries.

"We are excited to have found an opportunity with Kalamazoo to pursue what may be yet another significant new discovery."

The placement is being made at a 24% premium to the five-day Volume Weighted Average Price (VWAP) of Kalamazoo's shares.

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