

Kalamazoo Lithium Spin Out completed with Kali Metals Limited admitted to the ASX

Highlights

- Kalamazoo Resources Limited completes spin out of its Australian lithium projects via a demerger and concurrent Initial Public Offering (“IPO”) of Kali Metals Limited (**ASX: KM1**) (“Kali”)
- Kali’s IPO has raised the maximum subscription amount of \$15 million following strong interest from Kalamazoo shareholders and new investors
- Kalamazoo retains 29,147,250 ordinary shares in Kali (representing 20.2% of Kali’s issued capital)
- Eligible Kalamazoo shareholders have also received 1 ordinary Kali share for every 17.64 ordinary Kalamazoo shares (**1-for-17.64**) via an **in-specie distribution** of a total of 9,715,750 ordinary shares in Kali (representing 6.7% of Kali’s issued capital)
- The Priority Offer for Kalamazoo shareholders to participate in the Kali IPO was heavily oversubscribed with Kalamazoo shareholders receiving 8,000,000 ordinary shares in Kali (representing 5.5% of Kali’s issued capital)
- Kali has appointed highly experienced lithium geologist Mr. Stuart Peterson as General Manager – Geology
- The spin out of lithium assets into Kali enables Kalamazoo to focus on its gold exploration projects in Western Australia and Victoria, as well as pursue new opportunities

Kalamazoo’s Chairman and CEO Luke Reinehr said today, “We are delighted that the IPO of Kali Metals has been completed with KM1 commencing trading today on the ASX. Kali and its portfolio of high-quality lithium assets across Australia represents an outstanding opportunity for investors. The response from Kalamazoo shareholders and new and sophisticated investors through the IPO process, has been incredible with the maximum \$15 million having been quickly raised. As a significant shareholder of Kali and with our shareholders also receiving an in-specie distribution of Kali shares, Kalamazoo is looking forward to the acceleration of exploration activities across Kali’s exploration projects in 2024.

For Kalamazoo, the spin out of our lithium assets means the Company can now focus on progressing our highly prospective gold projects in Western Australia and Victoria, in addition to pursuing new opportunities. Kalamazoo currently has exploration programs underway in Victoria and has commenced planning for its 2024 programs across our project portfolio.”

Kalamazoo Resources Limited (ASX: KZR) (“Kalamazoo” or “the Company”) is pleased to provide an update on the spin out and IPO of Kali Metals Ltd, which has today commenced trading on the ASX.

The IPO of Kali received very strong support from Kalamazoo shareholders and new investors, with offers to raise up to a maximum of \$15 million heavily oversubscribed.

The in-specie distribution of Kali shares to eligible Kalamazoo shareholders was completed on 3 January 2024 in conjunction with the issue of shares to participants in the \$15 million IPO undertaken by Kali, with holding statements dispatched to Kali shareholders on the same day.

Kali has been established from the spin out of Kalamazoo’s portfolio of Australian lithium assets in the Pilbara region of Western Australia and the Lachlan Fold Belt of northeast Victoria and southern NSW. This includes Kalamazoo assigning its interests to Kali of the SQM Earn-in Agreement, which operates in respect of the DOM’s Hill and Marble Bar Projects. Kalamazoo’s lithium projects have been combined with the highly prospective lithium mineral rights of TSX-listed Canadian gold miner Karora Resources Inc. (“**Karora**”) (**TSX: KRR**) across an extensive range of projects located south of Kalgoorlie, Western Australia (“**Higginsville Lithium Project**”).

Exploration activities have already been progressing across the entire Kali project portfolio including various field reconnaissance and rock chip sampling campaigns as well as planning for Kali’s 2024 extensive exploration programs. This includes a maiden Reverse Circulation (“**RC**”) drilling program expected to commence at the Higginsville Lithium Project in Q1/2 2024.

Kali has appointed highly experienced geologist Mr. Stuart Peterson as General Manager – Geology to progress its lithium exploration programs. Mr. Peterson has extensive experience working as a geologist and exploration manager in the Australian lithium industry, including exploring, discovering, and developing world-class lithium projects. Most recently, he was instrumental in driving the success of Global Lithium Resources’ (ASX: GL1) Manna Lithium Project in the Goldfields region, Western Australia.

The demerger of Kali will allow Kalamazoo to focus on its highly prospective gold exploration assets in Victoria and Western Australia. Kalamazoo’s planned 2024 exploration programs are well advanced and scheduled to commence in the first quarter of the year.

Both the Kalamazoo and Kali share registries are managed by Advanced Share Registry Limited. Shareholders can contact Advanced Share Registry with any questions regarding their Kalamazoo or Kali shareholdings on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia) on weekdays between 8:30am and 5pm (AEDT).

This announcement has been approved for release to the ASX by Luke Reinehr, Chairman and CEO, Kalamazoo Resources Limited.

For further information, please contact:

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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: 8 May 2023

ASX: KZR: 1 August 2023

ASX: KZR: 3 November 2023

ASX: KZR: 14 November 2023

ASX: KZR: 17 November 2023

ASX: KZR: 21 November 2023

ASX: KZR: 18 December 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 current 1.44 million gold ounce 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 2023 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.