

Karora Resources Unlocks Lithium assets

[Karora Resources](#). (TSX: KRR)

Announce it has entered into an agreement with Kalamazoo Resources Limited (ASX: KZR) to create a lithium and critical metals exploration company to be called Kali Metals Limited.



Karora Resources – Beta Hunt Mine
Specimen Stone

Karora Resources	TSX: KRR
Stage	Production + Development + Exploration
Metals	Gold + Nickel
Market cap	C\$955 million @ C\$5.48
Location	Kalgoorlie, Western Australia

Comment

Karora and Kalamazoo are taking a leaf out of Calidus Resources' book, and diversifying some lithium assets into spinco to be ASX listed in due course.

It remains to be seen whether this will cause demand for the shares once the record date is known.

I suspect it will.

Karora Announces Agreement With Kalamazoo Resources To

Unlock Lithium Exploration Value Through Creation Of Kali Metals Limited

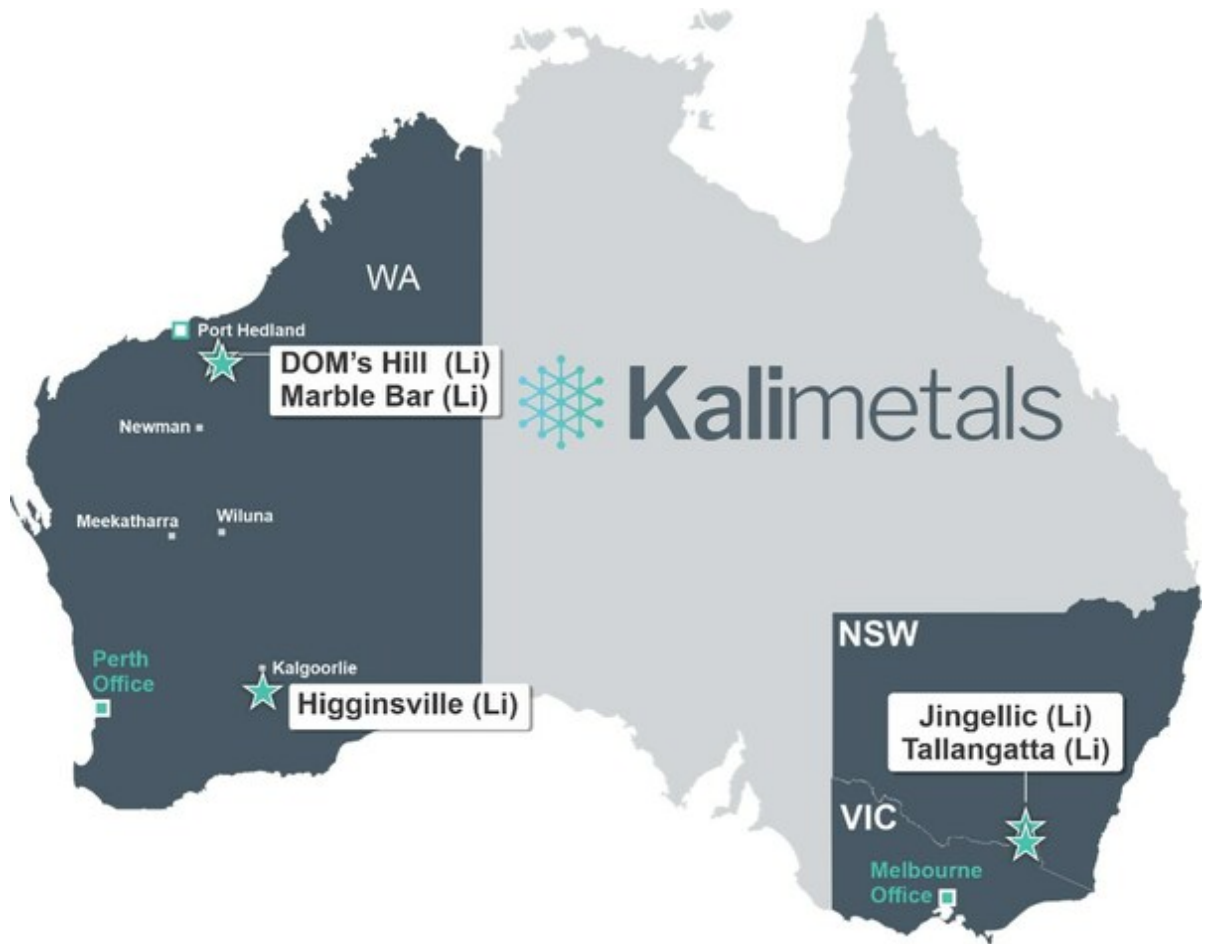
- TORONTO, May 8, 2023/CNW/ – **Karora Resources Inc. (TSX: KRR)** (“Karora” or the “Corporation”) is pleased to announce it has entered into an agreement with Kalamazoo Resources Limited (ASX: KZR) (“Kalamazoo”) to create a lithium and critical metals exploration company to be called **Kali Metals Limited** (“Kali”).

Karora and Kalamazoo will vend their lithium exploration projects into Kali with a goal of creating a new, jointly owned but separately run lithium-focused ASX listed exploration company to be led by an experienced board and management team.

The proposed transaction will allow Karora shareholders to participate in the significantly enhanced upside potential of a larger, combined lithium-focused investment vehicle that will fund its own exploration and development activities while Karora remains focused on growing its gold and nickel production base at both Beta Hunt and Higginsville.

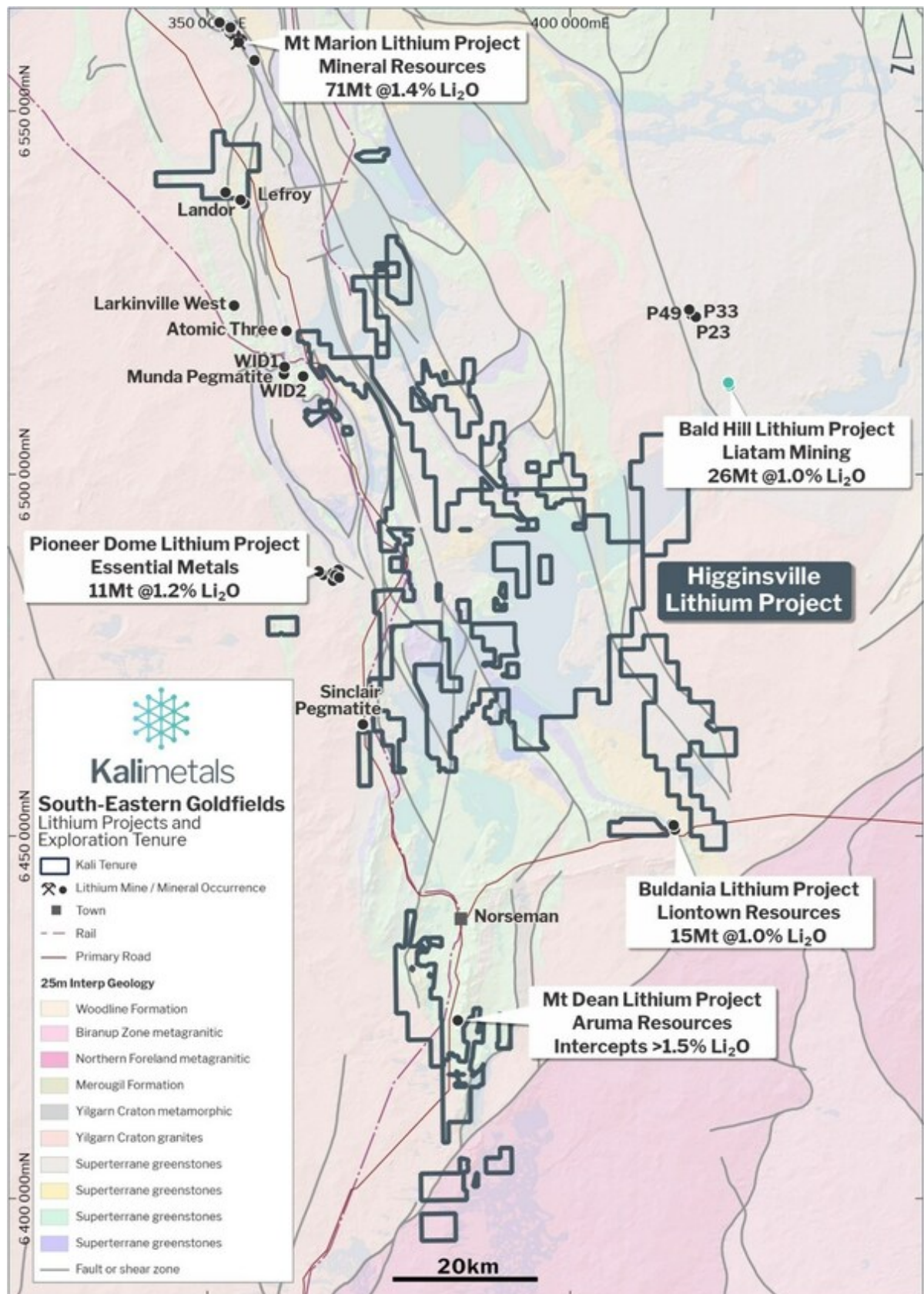
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Transaction highlights:



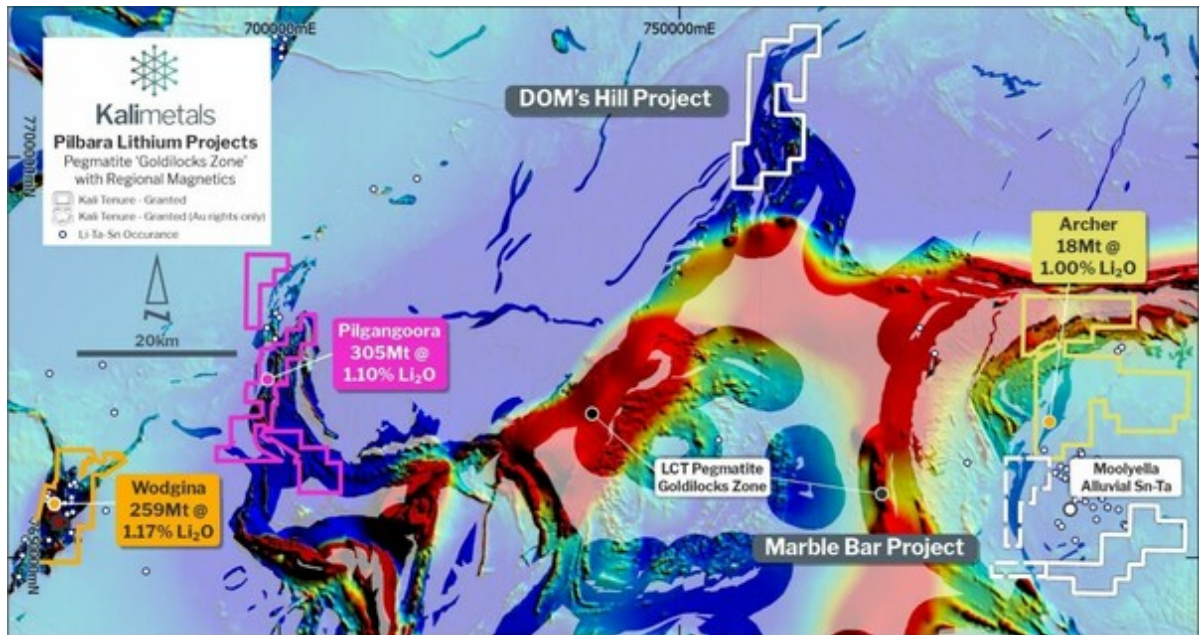
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Karora Resources Inc–Karora Announces Agreement with Kalamazoo



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Karora Resources Inc–Karora Announces Agreement with Kalamazoo



Karora Resources Inc—Karora Announces Agreement with Kalamazoo

- Agreement entered into with ASX-listed Australian gold miner Kalamazoo whereby at IPO, Karora will vend into Kali its highly prospective lithium mineral rights across an extensive range of projects located south of Kalgoorlie, Western Australia ("Higginsville Lithium Project") and Kalamazoo will vend into Kali its Australian lithium projects, including Marble Bar and DOM's Hill located in the Pilbara and Jingellic and Tallingatta projects located in the Lachlan Fold Belt (New South Wales and Victoria)
- At listing, Kali will be a leading Australian critical minerals exploration company, having consolidated significant lithium and critical minerals tenure totaling ~3,833km²
- Kali's extensive exploration portfolio is adjacent to world-class lithium mines and deposits in the Eastern

Yilgarn (1,607km²) and Pilbara (199km²) WA, and prospective greenfields lithium exploration projects in the Lachlan Fold Belt (2,027km²) in NSW and VIC

- Kali to raise a minimum of A\$10 million, up to a maximum of A\$12 million at IPO to fund its exploration and drilling plans across the combined Australian lithium portfolio
- Kalamazoo to own 55% of Kali, with Karora owning the remaining 45% (prior to the proposed capital raise)
- Kali will be led by Managing Director Graeme Sloan and Non-Executive Chairman Luke Reinehr, both bringing significant existing understanding of the newly combined Kali lithium tenements as well as strong track records of value creation in Australia's mining sector.

Paul Andre Huet, Chairman & CEO of Karora, commented:

"After carefully evaluating several different avenues to fully assess, explore, accelerate and crystallize the value of the lithium potential across Karora's Higginsville tenements, we are very pleased to enter into this arrangement with Kalamazoo Resources to create Kali Metals – a leading Australian lithium-focused exploration company.

"Working with Kalamazoo, we have assembled a top-notch management group with not only an excellent track record of building value in Australia's mining sector, but also an extensive existing knowledge of the tenement base to give Kali a running start.

The creation of a separate lithium-focused vehicle allows Karora's management team to remain laser-focused on our existing gold and nickel production growth strategy, while giving Karora shareholders near-term exposure to the lithium exploration potential on our Higginsville tenements in combination with Kalamazoo's tremendous lithium projects in Western Australia, New South Wales and Victoria.

"Under the Kali Metals banner these assets form a new large, highly prospective exploration vehicle in the exciting Australian lithium sector that is playing a leading role in the global energy transition. We look forward to participating in the enhanced combined success of the newly formed Kali Metals."

[To read the full news release, please click HERE](#)

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds shares in **Karora Resources**

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