



ASX Announcement & Media Release

QUARTERLY ACTIVITY REPORT For period ending 31 December 2020

Date: 29 January 2021

ASX Code: KGD

Board of Directors:

Mark Stowell (Chairman)

Mark Bojanjac

John Hannaford

Simon Adams

Shares on Issue:

155,805,606 Ordinary Shares

Cash at Bank:

\$1.2m (at 31 Dec 2020)

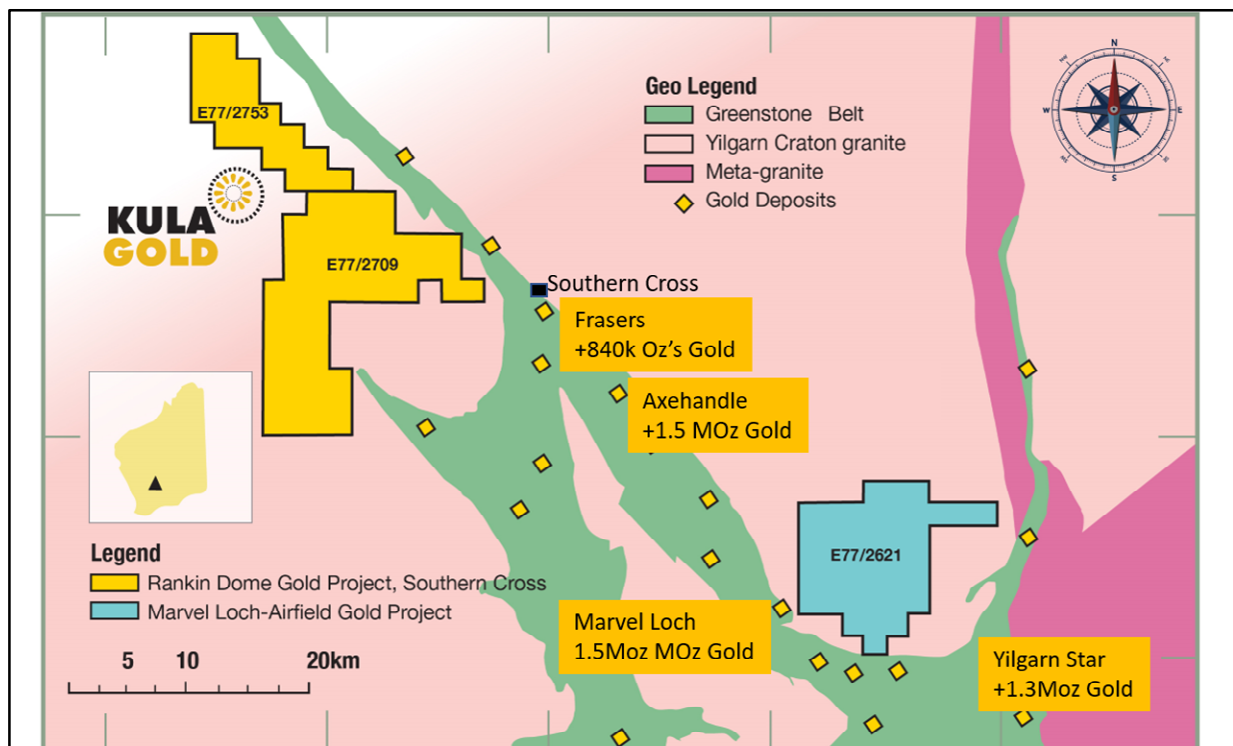
Highlights

- Auger Drilling results at Southern Cross –Airfield, define RC Drilling Targets
- RC Drilling to commence at Airfield - ~8km from operating gold plant at Marvel Loch
- Brunswick - Julimar style potential, more confirmatory field results
- New Project - Southern Cross Ultramafics - Ni and Au potential

Kula Gold Limited (**Kula** or **Company**) reports on activities for Q4 2020.

1. Exploration Projects

1.1. Southern Cross Projects, WA (Kula – 100%)



Location of Kula's Southern Cross Gold Projects

Marvel Loch Airfield Gold Project

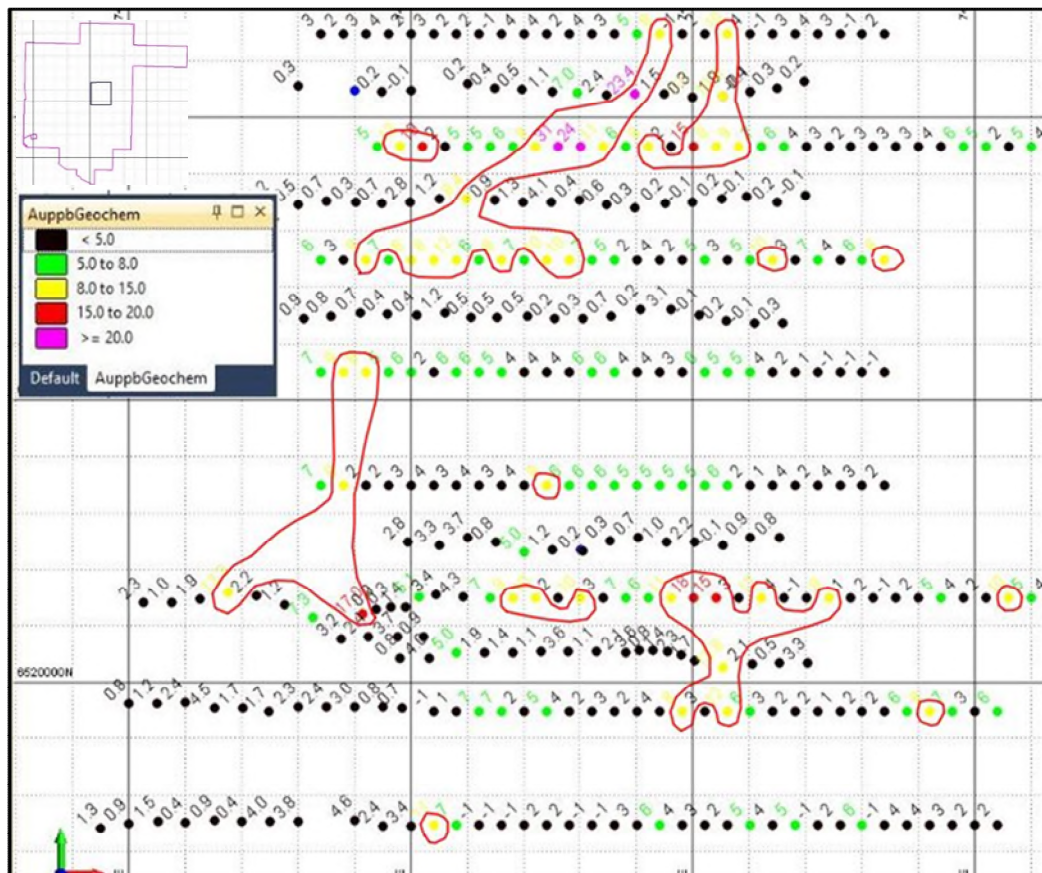
The Marvel Loch -Airfield Gold project covers an area of 120km² over the south-central part of the Ghooli Dome, 5km east of the town of Marvel Loch, a major gold mining centre. This region has seen over 15Moz of historical gold production and the Marvel Loch mine and mill continue production under

the ownership of Minjar Gold. Historic exploration was carried out by Sons of Gwalia Ltd (“SOG”) in the late 1980’s, and closing reports recommended follow-up drilling of these targets.

An auger drilling program was carried out in December which was designed to test previously reported SOG generated gold in soil anomalies, as well as Kula generated targets from reprocessed and re-interpreted magnetics. The Crayfish prospect was tested with a total of 267 auger holes for 1050m in December 2020 and the claypan area to the east was tested with 14 auger holes. The average depth of the holes was 3.8m and a bottom of hole residual sample (Laterite or Saprolite) was routinely collected from each hole and sent to Bureau Veritas for gold analysis by Bottle Roll and ICP-MS and 14 samples were assayed by Fire Assay and ICP-OES for Au and Multi-elements. Results of the program show a coherent 700m long, +8ppb Au anomaly as shown in the figure below. Laboratory turnaround times are approximately 4-5 weeks at present.

The company will commence a RC drilling program to test for the source of the gold at the Crayfish prospect. Rig quotes and regulatory approvals are in progress.

Additionally, further auger programs are planned to test the eastern part of the licence and the southern part of the licence once the appropriate regulatory approvals have been obtained.

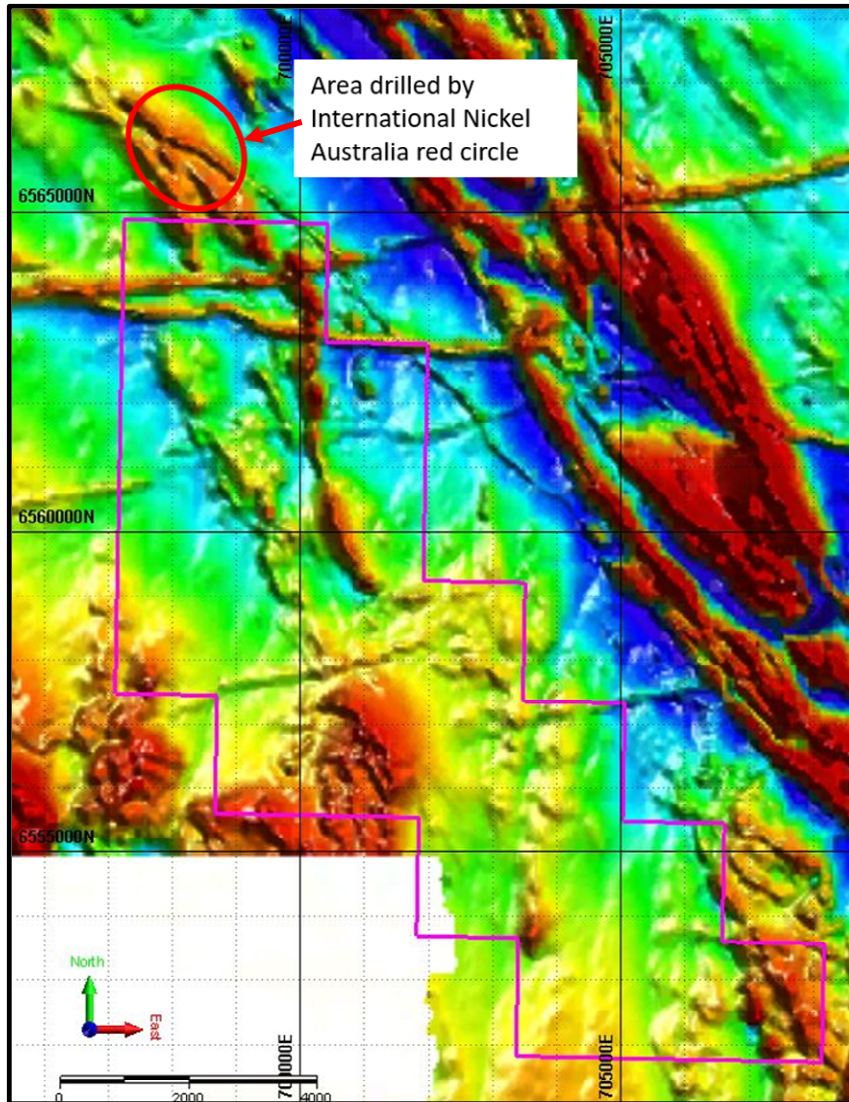


Crayfish Gold Project gold in auger results in ppb showing target areas

Rankin Dome Gold and Ni Project

A new licence (E77/2753) was applied for 26km NW of Southern Cross after a field visit showed Ultramafics outcropping in the NW corner of the licence application. The magnetic interpretation shows about 6km of potential Ultramafic strike and a further 3.5km of strike in the SE corner of the licence which require testing. This licence abuts and extends the company’s Rankin Dome project NW. Previous exploration has consisted of 903 surface soil samples which were collected and assayed by Gryphon in 2008. No significant anomalies were generated by this program, however Kula’s work on adjacent tenements indicate several metres of transported cover which may render the historic results ineffective. As such, Kula is planning an auger geochemical sampling program to effectively test target areas from the

magnetics (Figure below). Historical drilling in 1972 by International Nickel Australia intersected 27m @ 0.17% Ni validating the prospective nature of the Ultramafics which trend SE into the new licence.



E77/2753 Magnetics

1.2. Brunswick Ni-Cu-PGE Project, WA (Kula – 100%)

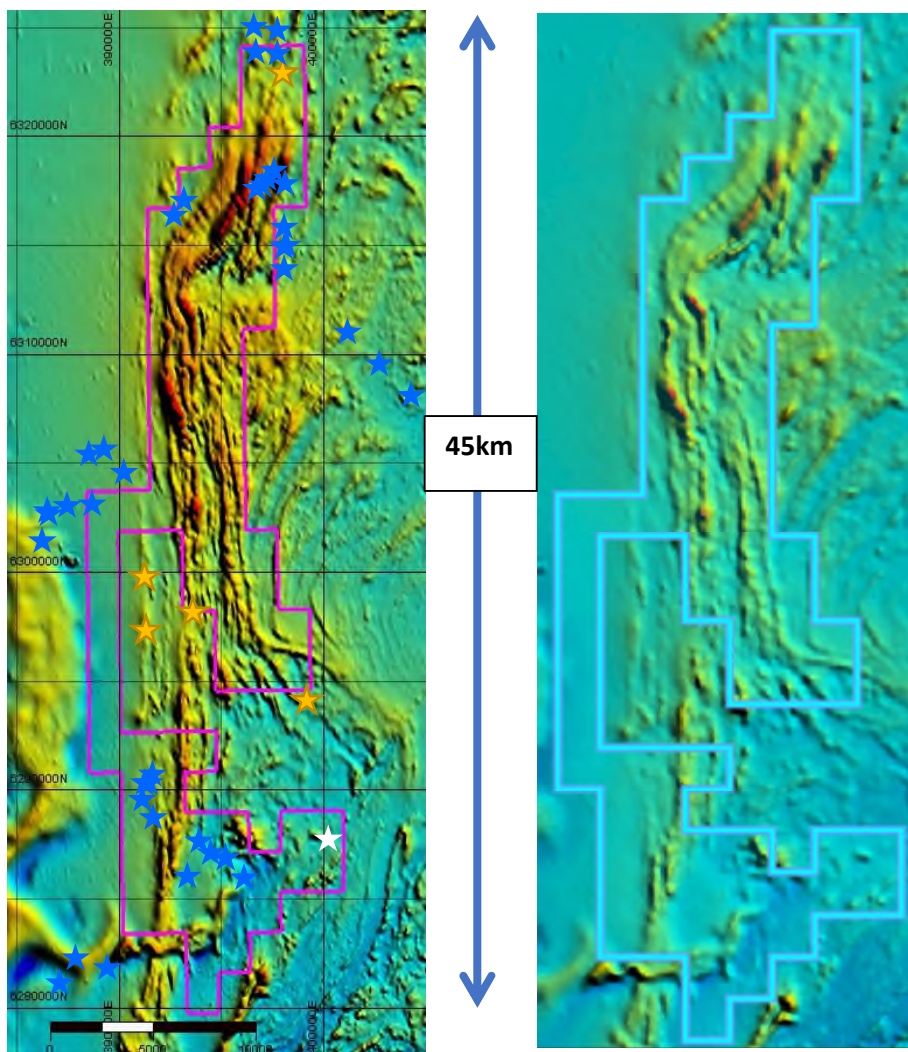
The Company applied for an exploration license (E70/5599) that covers 240 km² which is located between the towns of Donnybrook and Brunswick Junction, approx. 150km south of Perth. The licence is located in the highly prospective Western Gneiss Terrain which hosts Chalice Gold Mines, Julimar Ni-Cu-PGE Project. The open file magnetic data shows some subdued magnetic highs which the company thought was worth investigating further to see if the subdued magnetic response was masking potential Ultramafics in the licence area. The open file magnetics within the licence area were reprocessed to highlight the magnetic highs some of which have been field checked. To date the magnetic highs are associated with Amphibolite rocks as shown in photo.

The amphibolite grades from a hornblende - feldspar type on left in left photo above to a hornblendite with 98% magnesium-hornblende with anomalous Nickel suggesting a potential ultramafic pre-cursor rock. At one site 7 soil samples were collected along a road cutting and two were sieved to -80um and analysed with the XRF which showed anomalous Cr, Ti, V, Cu and Ni. The rock on the right in the image below contains anomalous Ni with 1540ppm from a rock chip sample assayed at Bureau Veritas which confirms the previously reported XRF reading of 2,000ppm.



The Brunswick licence is also prospective for pegmatites which will be the subject of a planned field mapping program based on Aster imagery. A comprehensive soil sampling program is commencing this quarter to test the majority of the magnetic targets identified to date.

Kula has also recently added to the geological team with two geologists including a Nickel specialist, for a more rapid exploration assessment of our projects.

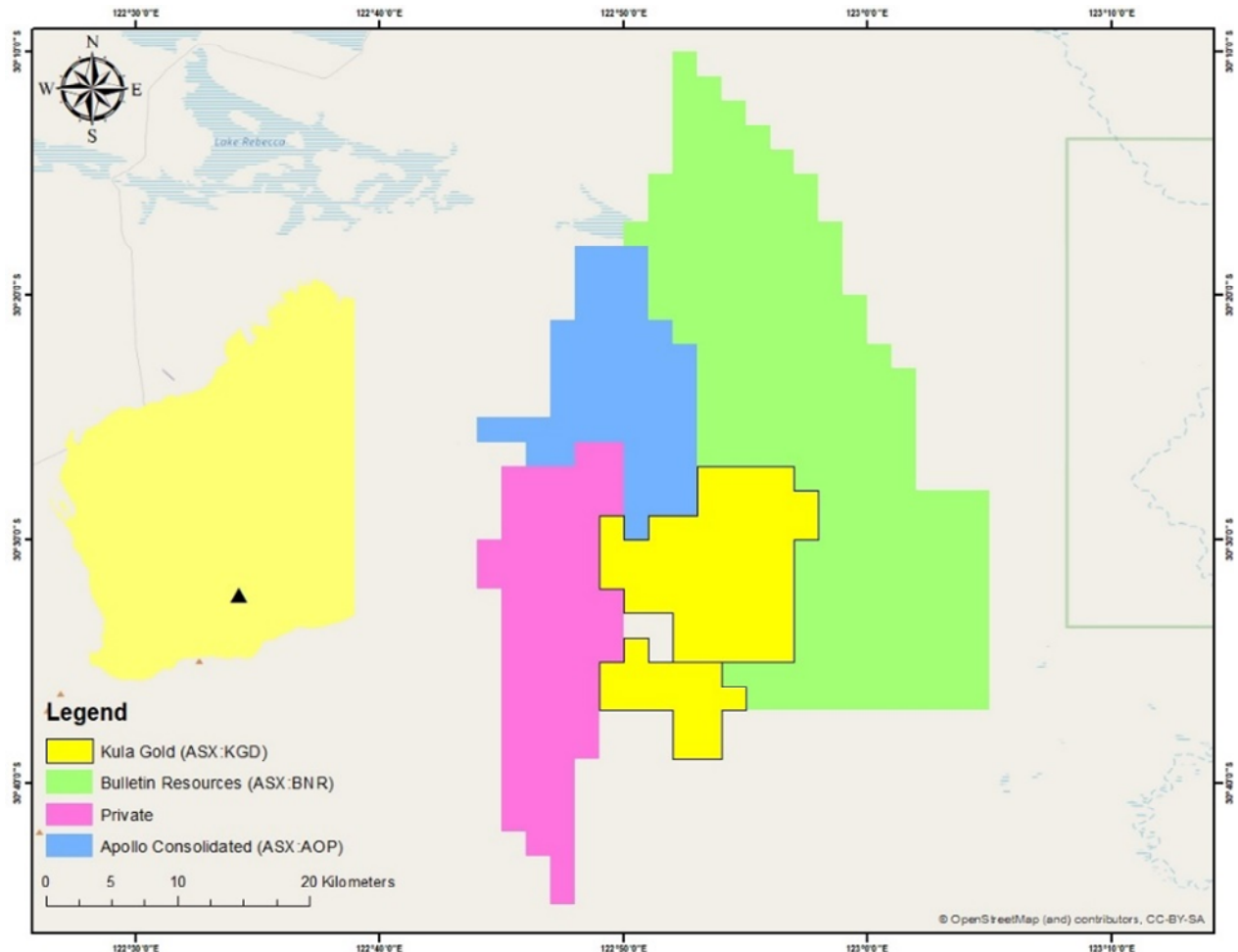


Magnetic highs are typically associated with Amphibolite. Gold stars show historical gold projects, White stars are known pegmatites, Blue stars are known rock/laterite quarries in the area.

1.3. Lake Rebecca Gold Project, Kurnalpi, WA (Kula – 100%)

A field work program is scheduled for later this year at the Lake Rebecca Gold Project. The next exploration program will focus on the southern area identified in Kula's large 194km² tenement holding, associated with unmixed chalcopyrite reflectance spectra zones from remotely sensed satellite imagery, and coincident interpreted structural targets.

A work plan comprising shallow geochemical auger drilling over each area totalling approximately 200 holes will be carried out.



Kula's Lake Rebecca tenements, 125km east of Kalgoorlie, adjacent to leases being explored by Apollo Consolidated (ASX: AOP) and Bulletin Resources (ASX: BNR)

1.4. New Project Generation

Kula is continuing to generate new exploration projects and further details will be provided once regulatory approvals and data validation has been completed.

2. Corporate

2.1. Payments to Directors

In accordance with ASX listing rule 5.3.5, as disclosed in the Appendix 5B, the aggregate amount of payments during the quarter to related parties and their associates of \$46k comprised the following:

• Directors Fees	\$7,804
• Corporate and Technical consulting	\$27,742
• Equipment hire and premises rental	\$9,545

By order of the Board

For Further Information, Contact:

Simon Adams (Company Secretary)

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Tenement Report

Mining Tenements held by Kula Gold Limited for the quarter are:

Project	Location	Tenement Reference	Status	Interest Acquired During the Quarter	Interest Disposed During the Quarter	Interest at the end of the Quarter
Airfield Gold Project	Marvel Loch, W. Australia	E 77/2621	Granted	-	-	100%
Lake Rebecca Gold Project	Lake Rebecca, Kurnalpi, W. Australia	E 28/2942	Granted	-	-	100%
Lake Rebecca Gold Project Extension	Lake Rebecca, Kurnalpi, W. Australia	E 28/3029	Under Application	-	-	100%
Rankin Dome Gold Project	Southern Cross, W. Australia	E 77/2709	Under Application	-	-	100%
Rankin Dome 2 Gold/Ni Project	Southern Cross, W. Australia	E 77/2753	Under Application	100%	-	100%
Brunswick Project	Donnybrook, W. Australia	E 70/5599	Under Application	-	-	100%
Brunswick 2 Project	Donnybrook, W. Australia	E 70/5645	Under Application	100%	-	100%

The information in this report that relates to geology and exploration is based on information compiled by Mr. Adam Anderson, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Anderson is a Geology and Exploration Consultant who has been engaged by Kula Gold Ltd. Mr. Anderson has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.