



## ASX Announcement & Media Release

### Quarterly Activity Report for the Period Ending 30 June 2021

#### HIGHLIGHTS

**Date:** 28 July 2021

**ASX Code:** KGD

**Board of Directors:**

Mark Stowell (Chairman)

Mark Bojanjac

John Hannaford

Simon Adams

**Shares on Issue:**

215,175,632 Ordinary Shares

3,100,000 Options

**Cash at Bank:**

\$2.8m Post July placement

**ACN:** 126 741 259

**Office Address:**

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Perth, WA 6000

**Email:** [cosec@kulagold.com.au](mailto:cosec@kulagold.com.au)

**Website:**

<http://www.kulagold.com.au>

- **Boomerang Kaolin Prospect discovery - average 42m true thickness, including 10m downhole Halloysite in southern drillhole**
- **Previously unmapped Amphibolite (greenstone) intersected at Crayfish Prospect Southern Cross WA**
- **Three large exploration licences applied for where field mapping has confirmed Amphibolite interpreted from the magnetics**
- **Brunswick EL's all granted by DMIRS**
- **Acquisition of 100% of E70/5560 adding to the large Brunswick PGE-Ni-Cu, Gold project which hosts some of the historical Donnybrook Gold Mine workings**
- **First pass soils completed over numerous geophysical targets at Brunswick PGE-Ni-Cu, Au Project**

Kula Gold Limited ("Company") (ASX:KGD) is pleased to update exploration activities for the quarter ended 30 June 2021.

#### **Southern Cross-Airfield/Boomerang Kaolin Discovery**

The Company received the assays for the previous RC drilling at the Crayfish Prospect on the 100% owned Airfield Project in Southern Cross, with only low-level gold intercepted.

Three holes drilled at the Boomerang Prospect (Airfield Project) intersected thick kaolin clays over weathered granite. A total of 28, 5m composite kaolin samples were sent to Bureau Veritas and CSIRO in Adelaide for wet sieving, XRF, Brightness and XRD analysis to determine the Kaolinite-Halloysite content of the -45µm fraction. Results showed approx. 47% reported to the -45µm fraction and has an average ISO Brightness of 81. The fraction also contained an interval with 10m downhole at 7% Halloysite. The fine fraction also averages 96% Kaolinite-Halloysite content.

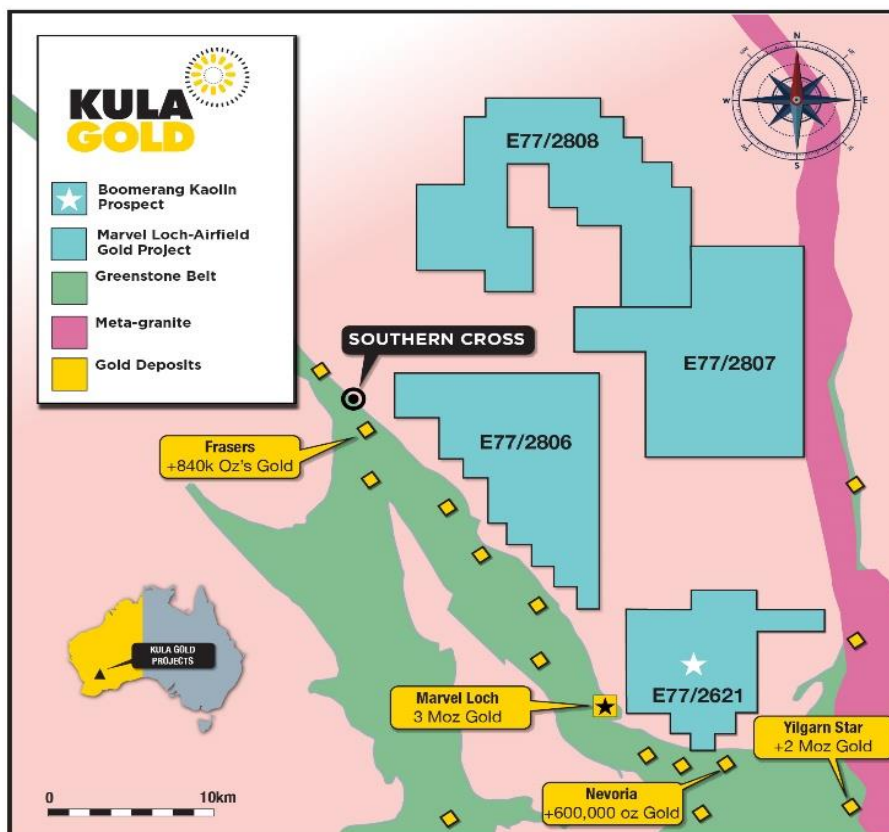
The Boomerang Kaolin prospect lies in a favourable location, being ~25km from the Kalgoorlie water pipeline and Highway 94 Perth to Kalgoorlie, and 42km to the Southern Cross rail yard. Whilst Kula's results are preliminary, the Company believes that the initial assays are significant in grade and extent and require

further drilling. An RC rig is booked to continue drilling at the Boomerang Prospect in mid-August to test the exploration target of 30-100mt. (ASX announcement 13 July 2021).



**Fig 1. Bright white Kaolin clays at the Boomerang Project, Marvel Loch**

## Southern Cross -Airfield Project (Gold) (KGD 100%)



**Fig 2. The Southern Cross project includes 3 new ELA's near Marvel Loch**



The Airfield gold project discovered amphibolite in the maiden RC drilling program. Amphibolite is a “greenstone” rock which hosts most of the 15million oz of gold mined and discovered in the Southern Cross region as shown in Fig 2 (above) in green.

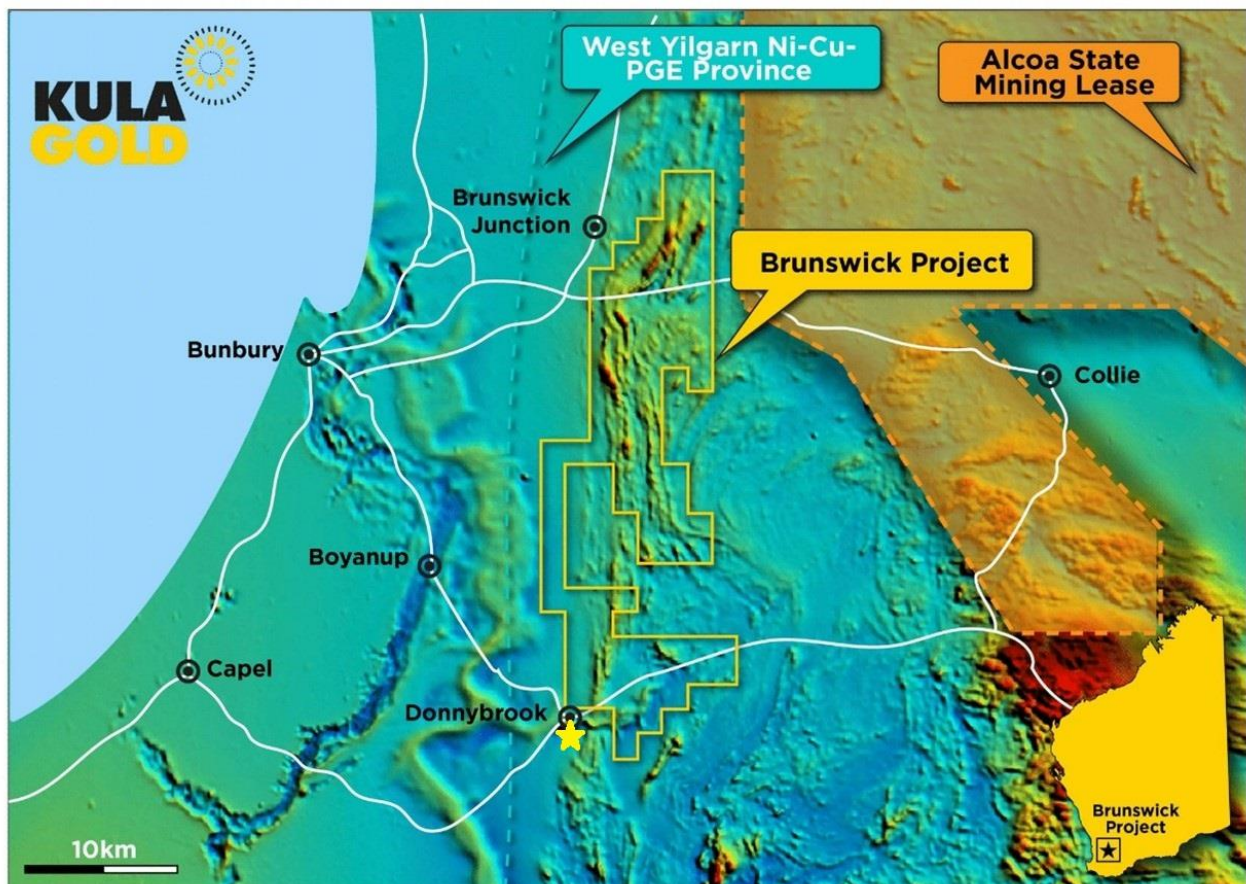
Discovery of this prospective gold-hosting rock with anomalous gold values has been a major technical breakthrough, as it was historically mapped as granite (ref Fig 2 above in pink) and was never explored other than with some shallow auger work in 1988 by Sons of Gwalia Ltd (SOG).

As a result, the company’s technical team has been able to identify numerous other occurrences of similar geology and Kula acquired 3 new large ELA’s which encompass those prospects. Fieldwork on ground within days of acquisition confirmed that several prospects host amphibolite/greenstone. (Ref ASX release 2 July 2021)

### **Brunswick Cu – Ni – PGE, Au Li Project (KGD 100%)**

During the quarter Kula expanded the Brunswick project area after it reached agreement to acquire E70/5560 of 2.9km<sup>2</sup> from a private prospecting group for \$15,000. This granted EL hosts the Donnybrook Gold mine (historic) and includes some of the historical shafts and drives still in existence from the mine which operated in 1897-1903, then 1930’s to 40’s as Hunter Venture mine.

Subsequent to the end of the quarter, all of the Company’s Brunswick tenements were granted, with the granting of the principle tenement E70/5599 covering an approx. 45km north/south length.



**Fig 3. Reprocessed Magnetics showing Kula’s tenements and the Donnybrook Gold Mine (gold star)**



**Fig 4. The Hunter Venture Headframe Donnybrook Gold Mine WA** Source: [www.donnybrookgold.com.au](http://www.donnybrookgold.com.au)

The Company is presently compiling historical data for the Donnybrook Gold Mine licence area and plans to complete some surveying of the old shafts and use downhole cameras to survey the crosscut drives. Pending landowner agreement, a small surface channel sampling program will be used to define the gold distribution at surface before planning further work.

At the larger Brunswick project, fieldwork by the Company's geological team has identified potential for three types of mineralisation and these are now the focus of exploration work comprising a large soil sampling program which is well underway with a large quantity of assays pending:

1. Julimar Style Ni-Cu-PGE mineralisation.
2. Epithermal gold mineralisation— as evidenced by the historic Donnybrook Goldmines Ltd south of the licence with production of 1,100oz from 1,497 tons of ore between 1897 and 1904. (Ref: BHP Minerals Ltd DMIRS report of 1 Feb 1987 for exploration work 1985-87)
3. Archean Cu-Au mineralisation analogous to Newmont's Boddington Copper-Gold Mine 75km NE which is one of the largest gold mines in the world, producing approximately 700k oz Au and 35kt Cu p.a.

(Refer ASX release 29 March 2021)

The Company has submitted 840 samples to Bureau Veritas for sieving and Au, Pt, Pd analysis with multi-elements to be determined using pXRF in house.

Laboratory turnaround times have increased substantially in the last three months and assays were still pending for the majority of the samples at quarter's end.

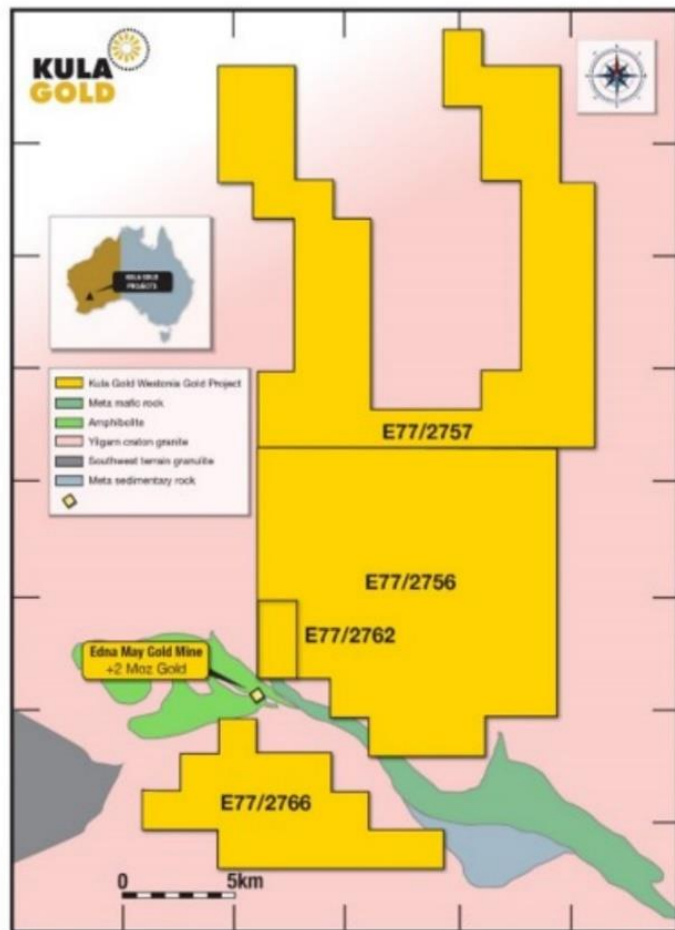


## **Southern Cross-Westonia (KGD 100%)**

A field visit to the Westonia area has confirmed extensive laterite development coincident with the gravity target south of Westonia Mine. Once granted an extensive auger program is planned to commence in this area which shows good calcrete development under transported material (Photo below).



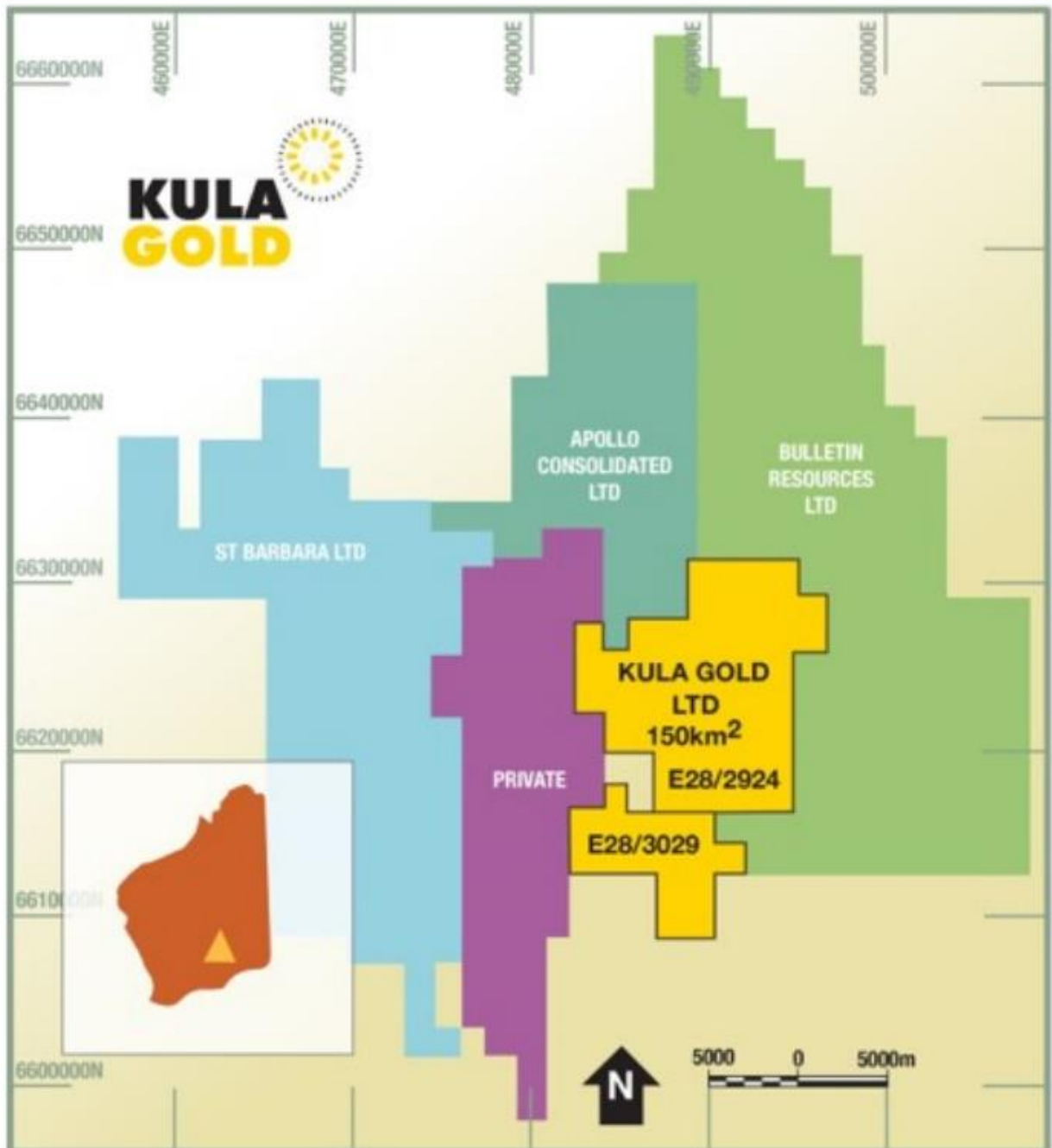
**Fig 6. Transported clays over calcrete  
Westonia Area**



**Fig 5. Kula's tenements in the Westonia area**

## Kula-Lake Rebecca Gold Project (KGD 100%)

The Company's Lake Rebecca Gold project is readying for the next phase of exploration following neighbouring company Apollo Consolidated's (ASX: AOP) recent announcement on 20 April 2021 of a 50% increase in Indicated gold resources at their Lake Rebecca Gold discovery. An auger program is planned to commence in Q3.



*Fig 7. Kula's Kurnalpi project tenement location, with neighbouring explorers*

## Indicative Exploration Timeline for the Next 3 Quarters

Project	Southern Cross Airfield Gold/Kaolin Project	Brunswick Ni-Cu-PGE Au Li	Southern Cross Rankin Dome Gold/Ni	Southern Cross Westonia/Burracoppin Gold	Kula-Lake Rebecca Gold (Kurnalpi)
<b>Q3, 2021</b>	RC/Diamond drilling follow-up drilling at Boomerang (kaolin)  Infill auger drilling Airfield (gold)  Diamond drilling-Gold-Orientation at Crayfish (gold)	Infill Soil sampling and geophysics targets EM Survey results dependent	First pass aircore drilling	Auger drilling subject to regulatory approvals and licence granting	First pass auger drilling
<b>Q4, 2021</b>	Boomerang kaolin: Resource estimate work commences for Boomerang metallurgical testwork  RC/Diamond drilling follow up subject to results -Crayfish etc gold	Drilling subject to results and regulatory approvals  New geochem targets for soil sampling and auger sampling	Infill aircore drilling	Infill auger drilling subject to results	Infill auger drilling subject to results
<b>Q1 2022</b>	JORC resource, subject to results Follow up RC drilling for gold First pass auger on new licence subject to granting	Additional areas for soil sampling and auger sampling	Follow up RC subject to results	AC/RC drilling subject to results	RC Drilling subject to results

## Corporate

After quarter end, the Company completed a placement of 36m shares to raise \$1.8m under its 7.1 and 7.1A share issuance capacity managed by Foster Stockbroking Pty Ltd.

Payments to directors and associated entities during the quarter totalled \$52,105.

By order of the Board

### For Further Information, Contact:

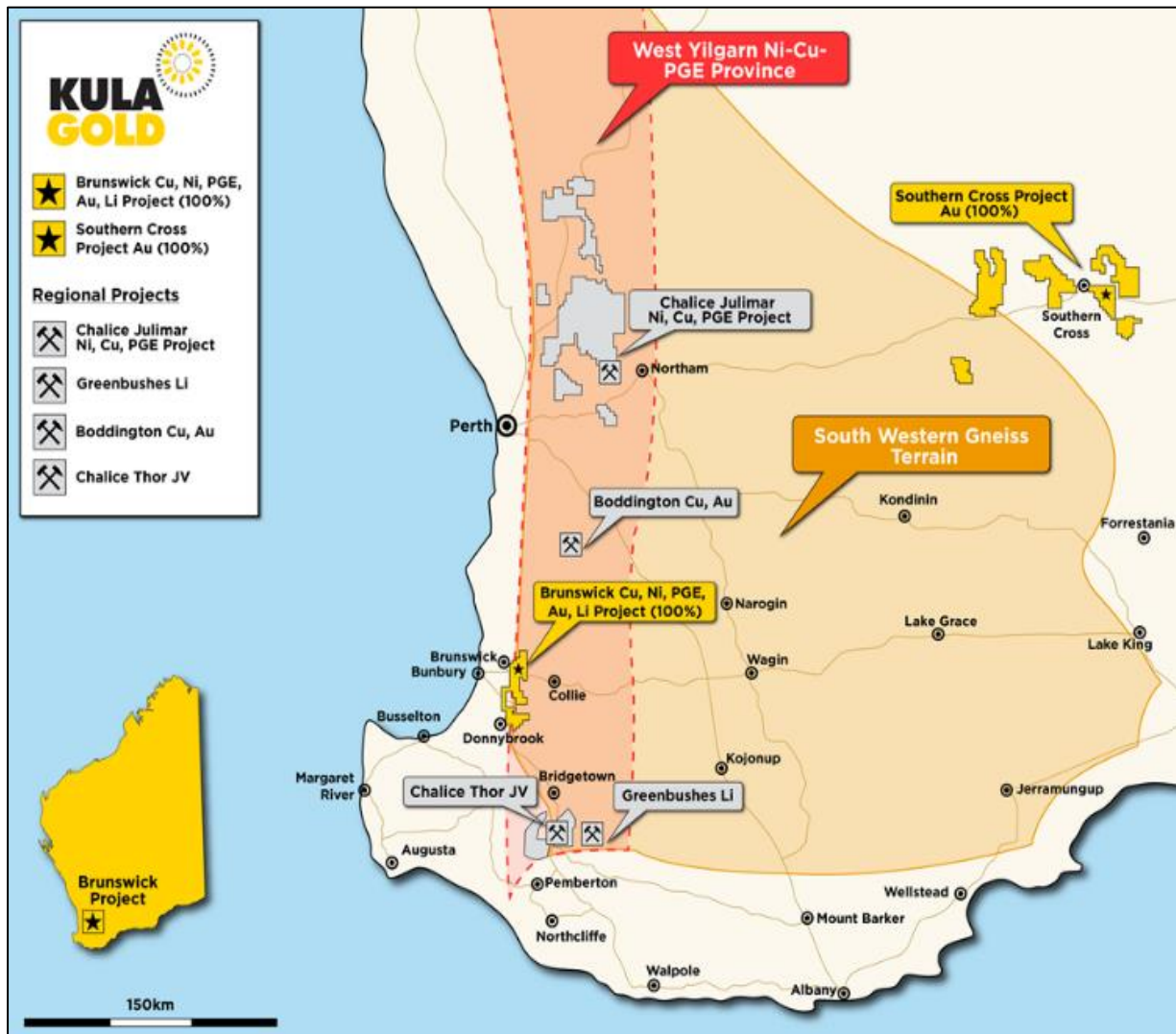
Luke Abbott – Company Secretary

T: +61 8 6144 0592 email: [cosec@kulagold.com.au](mailto:cosec@kulagold.com.au)

[www.kulagold.com.au](http://www.kulagold.com.au)

## About the Company

Kula Gold Ltd (ASX: KGD) is a Western Australia gold exploration company focussed on large land positions and structural geological settings capable of hosting ~1m oz gold or equivalent size deposits. The company has projects in the Southern Cross goldfield WA region including Westonia, Rankin Dome and Marvel Loch, as well as the Brunswick Ni-Cu-PGE near Brunswick WA, and Lake Rebecca Gold Project Kurnalpi NE Goldfields. The company has a history of large gold resource discoveries with its foundation Woodlark Island project in PNG since sold and proceeds distributed to shareholders.



Stay in the loop and head to [www.kulagold.com.au](http://www.kulagold.com.au) for updates on the Company's News feed, projects and Investor Centre for key information on our current projects.

## Competent Persons Statement

The information in this announcement that relates to exploration results is based on information compiled by Company geologists and reviewed by Mr Adam Anderson, in his capacity as the Exploration Manager of Kula Gold Limited. Mr Anderson is a Member of the AUSIMM and AIG 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 JORC Code. Mr. Anderson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.



# Tenement Report

Tenement ID	Status	Location	Interest acquired during the Qtr	Interest Disposed during the Qtr	Interest at end of Qtr
E15/1819	APPLICATION	BOORABBIN	100%		100%
E28/2942	GRANTED	Kurnalpi Lake Rebecca			100%
E28/3029	GRANTED	Kurnalpi Lake Rebecca			100%
E28/3137	APPLICATION	Kurnalpi Lake Rebecca	100%		100%
E70/5599	APPLICATION	DONNYBROOK			100%
E70/5645	GRANTED	DONNYBROOK			100%
E70/5560	GRANTED	DONNYBROOK	100%		100%
E70/5693	GRANTED	BURRACOPPIN			100%
E70/5703	GRANTED	BRUNSWICK			100%
E77/2621	GRANTED	Marvel Loch			100%
E77/2709	APPLICATION	Moorine Rock			100%
E77/2753	APPLICATION	Moorine Rock			100%
E77/2756	APPLICATION	WESTONIA			100%
E77/2757	APPLICATION	WESTONIA			100%
E77/2762	APPLICATION	WESTONIA			100%
E77/2766	APPLICATION	WESTONIA			100%
E77/2768	GRANTED	RANKIN DOME			100%
E77/2806	APPLICATION	SOUTHERN CROSS	100%		100%
E77/2807	APPLICATION	SOUTHERN CROSS	100%		100%
E77/2808	APPLICATION	SOUTHERN CROSS	100%		100%

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kula Gold Limited

ABN

83 126 741 259

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(448)	(656)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(19)	(37)
	(e) administration and corporate costs	(78)	(138)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(546)</b>	<b>(831)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	935
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(62)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	<b>873</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,775	1,189
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(546)	(831)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	873



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,230</b>	<b>1,230</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,230	1,776-
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,230</b>	<b>1,776</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(52)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
The payments to directors in 6.1 include fees to directors.		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(546)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(546)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1230
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1230
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2.25</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28/07/2021

Authorised by: The Board  
(Luke Abbott – Company Secretary)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.