



## ASX Announcement & Media Release

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

**Date:** 26 October 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:**

\$2.5m

**ACN:** 126 741 259

**Office Address:**

Suite 2, 20 Howard Street

Perth, WA 6000

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

**Website:**

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

#### HIGHLIGHTS

***Boomerang Kaolin Prospect, Southern Cross***

- RC Drilling Discovers +42m Vertical Thickness High Quality Kaolin Clays near surface;
- Drillhole 21BMRC001 intersected 10m @ 7% Halloysite from 40m depth downhole (8.8m true thickness) within an intersection of 55m of kaolin downhole;

***Brunswick Cu – Ni – PGE, Au Li Project***

- Results from Company samples up to 7g/t gold and historic BP Minerals/West Coast Holdings Ltd percussion drilling of up to 15m @ 9.92g/t gold from 61m, confirm the gold potential of the wider Brunswick Project;

***Airfield Gold Project***

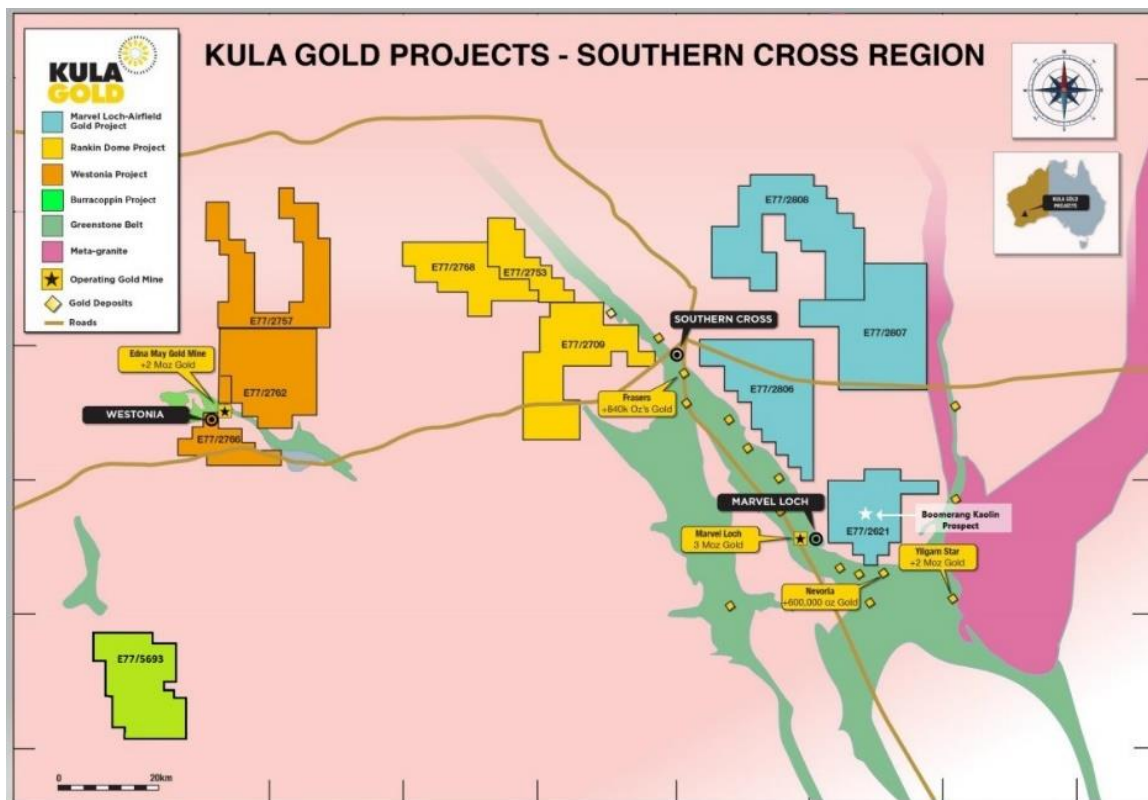
- RC drilling discovers large areas of previously unmapped nor recognised amphibolite/BIF (greenstone) belts in the Marvel Loch Airfield Gold Project.

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

#### **Southern Cross Region (KGD 100%)**

The Company reported a major technical breakthrough in the Company’s highly prospective Southern Cross Gold project. RC drilling discovered large areas of previously unmapped nor recognised amphibolite/BIF (greenstone) belts in the Airfield Gold Project. The Company recognised a geophysical signature associated with the results and has identified numerous repeats of similar greenstone prospects in the region, so Kula has applied for new applications adding to Airfield covering 570km<sup>2</sup>.

The Company completed RC drilling at the Airfield Project near Southern Cross WA intersected thick >42m vertical kaolin clay development over the 300m drilled length at the newly named Boomerang Kaolin Prospect. The holes were drilled to test a magnetic anomaly and intersected the deep white kaolin zone. The results have been received and are shown in Table 1.



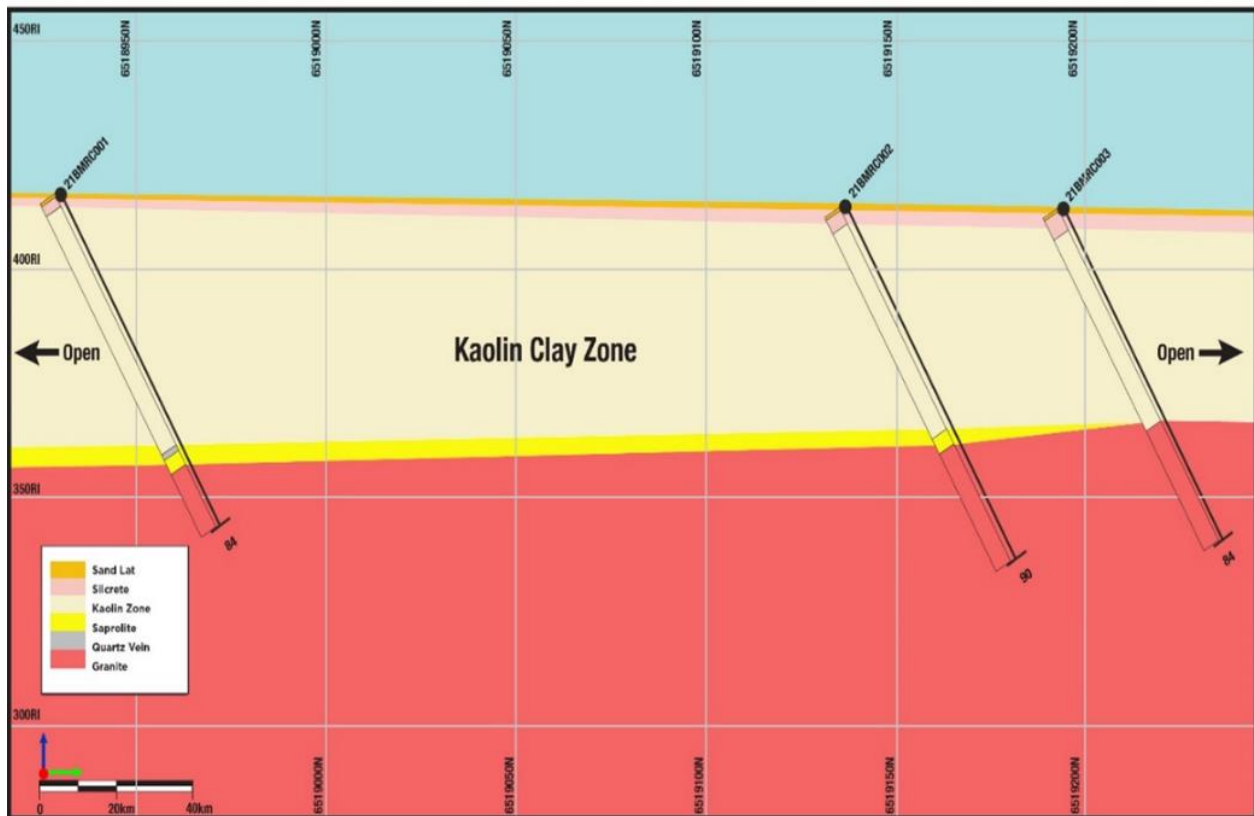
**Figure 1: Kula's Extensive Southern Cross and Westonia Project Portfolio.**

*Table 1*

Hole ID	From m	To m	Thickness (m)	True Thickness (m)	Halloysite %	Kaolinite %	H+K %
21BMRC001	40	50	10	8.8	7	89	96

The 10m @7% Halloysite (downhole) was confirmed by SEM imaging analysis by CSIRO (Adelaide). The report noted “good particle separation and spread” for the Kaolinite/Halloysite.

An RC drill program is planned in November on the Boomerang Kaolin prospect which will define the kaolin resource and test gold targets beneath the kaolin zone. This program will be followed by diamond drilling for metallurgical test work.



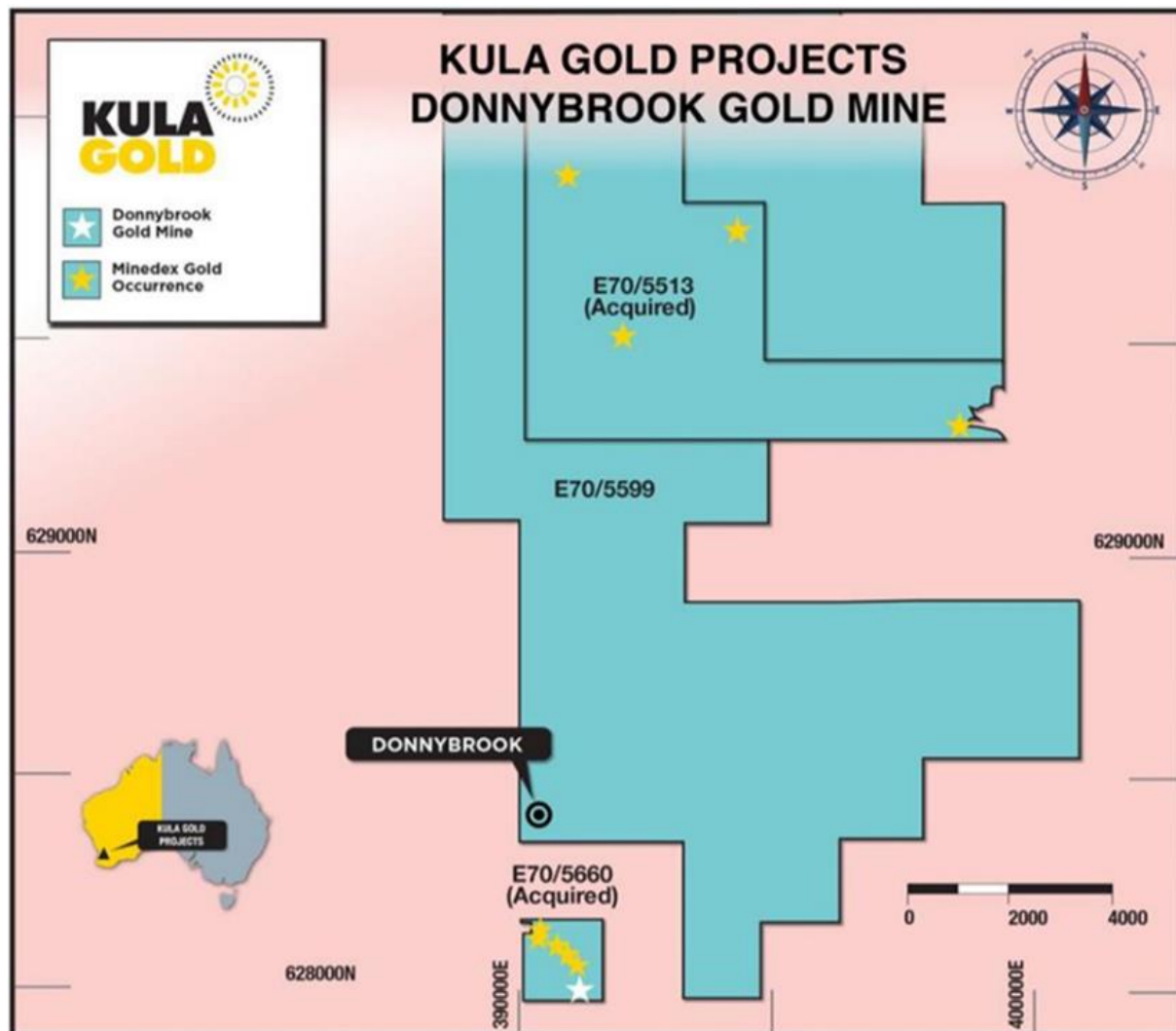
**Fig 2. The Drilled Kaolin Intercept at the Boomerang Prospect**

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

During the quarter a total of 8 rock chips were collected from spoil around the Hunters JV headframe and at nearby Mt Cara to the Northwest.

#### **Grab samples by the Kula geological team (2021)**

Sample ID	Tenement	Grade (g/t Aug)
BK000103	E70/5660	0.012
BK000104	E70/5660	1.46
BK000105	E70/5660	0.427
<b>BK000106</b>	<b>E70/5660</b>	<b>7.07</b>
BK000107	E70/5660	0.452
BK000108	E70/5660	0.102
BK000109	E70/5660	0.404
BK000110	E70/5660	0.89



**Figure 3. The Southern End of the Brunswick Project**

In 1983 and 1984 West Coast Holdings (“WCH”) and BP Minerals carried out percussion, reverse circulation, and diamond drilling on the old Donnybrook Goldfield completing a total of 20 drill holes. Significant Intercepts from this program are presented below.

#### **Historic drill results from West Coast Holdings/ BP Minerals (1983/84)**

<b>Hole No.</b>	<b>Interval downhole (m)</b>	<b>From (m)</b>	<b>Grade (g/t Au)</b>
DDB 1	2.09	107.51	2.33
DDB 2	3.0	165.95	1.45
PDB 1	6	9	2.66
PDB 2	2.4	163.5	2.66
DP 7	15	61	9.92
Inc.	4	61	31.1
DP 7	3	73	5.14
DP 7	1	153	2.30
DP 1	4	28	5.24

Between 1984 and 1985 a joint venture between WCH and BP Minerals followed up epithermal mineralization, delineated by the previous program. Results are presented below.

#### Historic drill results BHP (1987/88)

Hole No.	Interval downhole (m)	From (m)	Grade (g/t Au)
DDB 9	0.25	82.7	13.0
DDB 15	4.3	19.0	1.09
Inc.	1.0	21.0	3.82
DDB 20	1.0	39.0	49.2

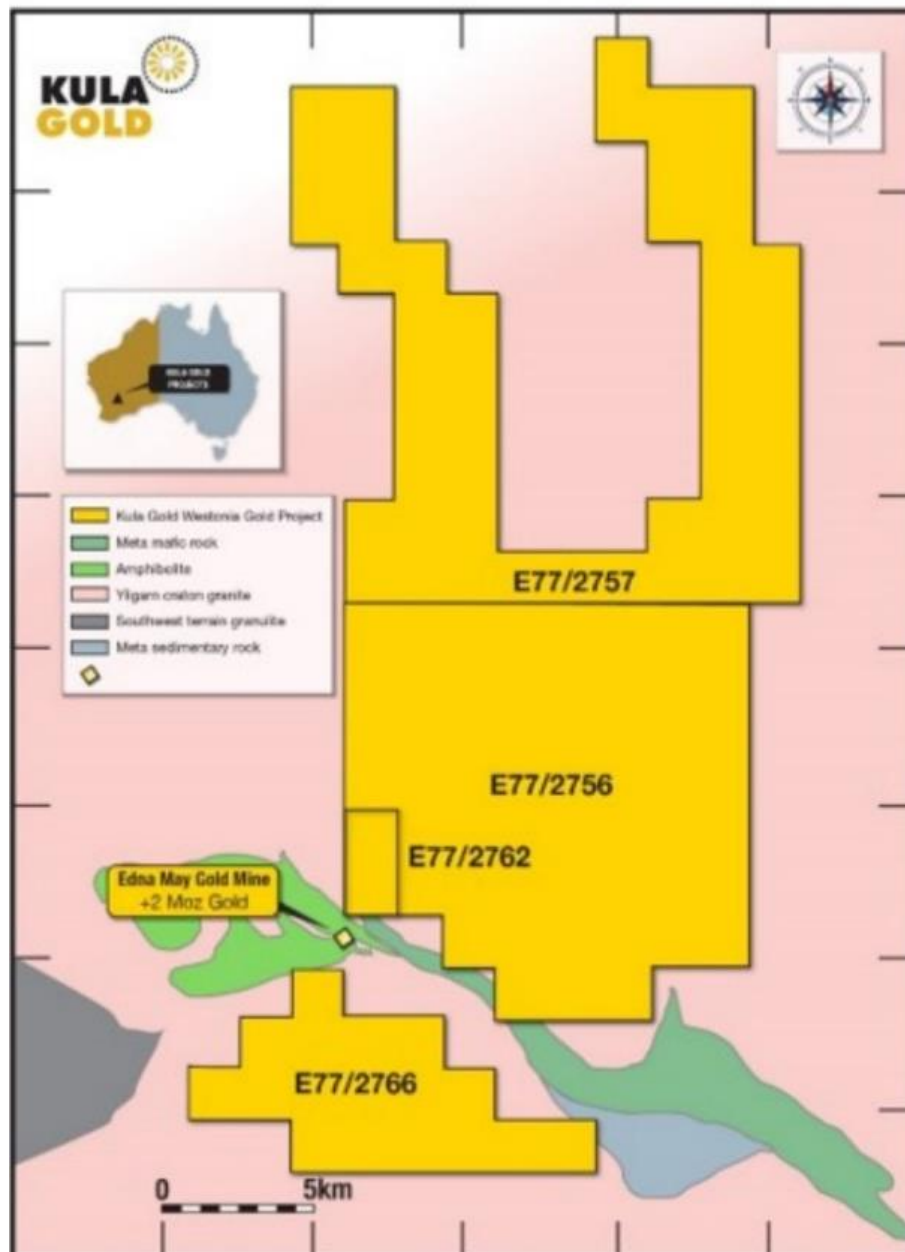


**Fig 4. The Hunter Venture Headframe Donnybrook Gold Mine WA** Source: [www.donnybrookgold.com.au](http://www.donnybrookgold.com.au)

Geochemical sampling at the Brunswick project is ongoing and material results will be released once analysed and interpreted.



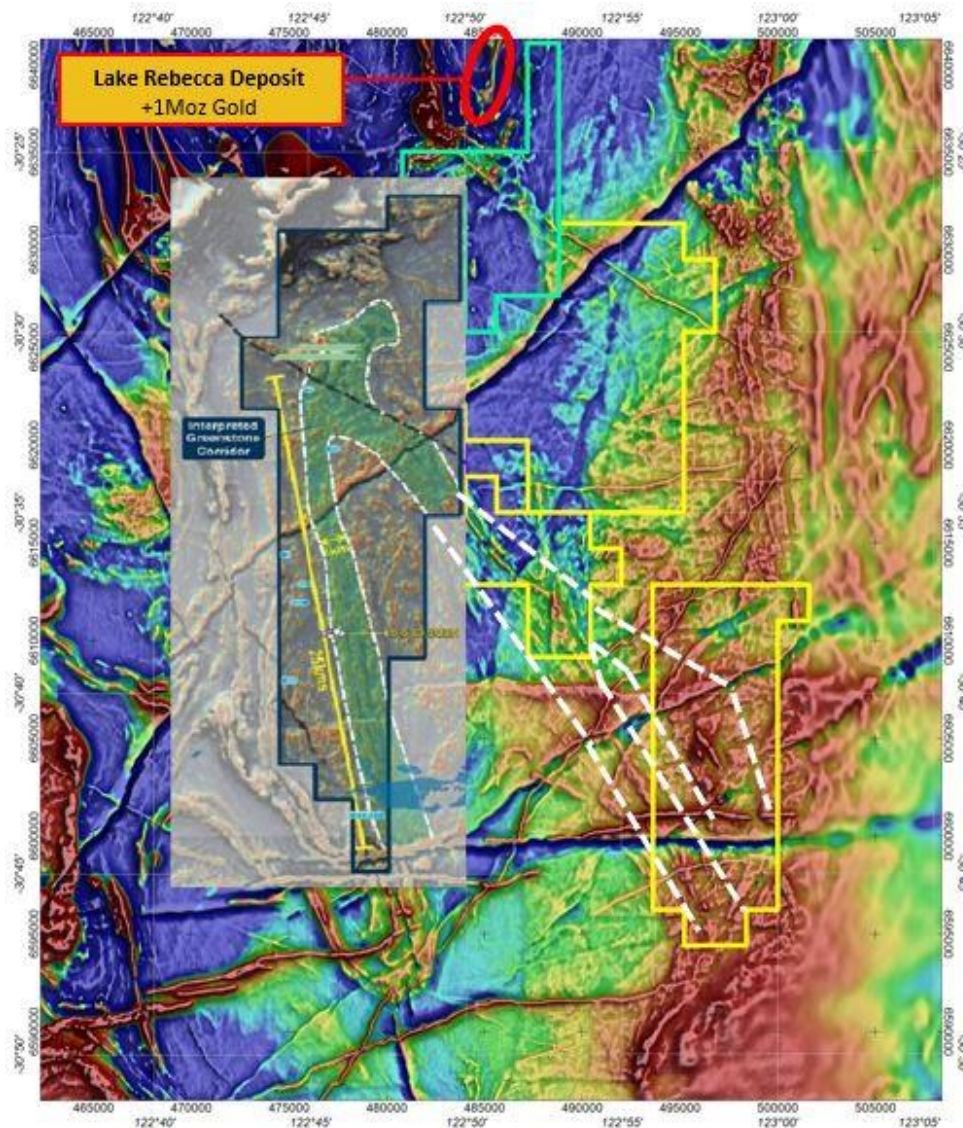
## Southern Cross-Westonia (KGD 100%)



All Westonia project licenses have recently been granted, and key landowner access agreements have been put in place.

Geochemical sampling programs will commence once the relevant statutory approvals have been obtained.

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

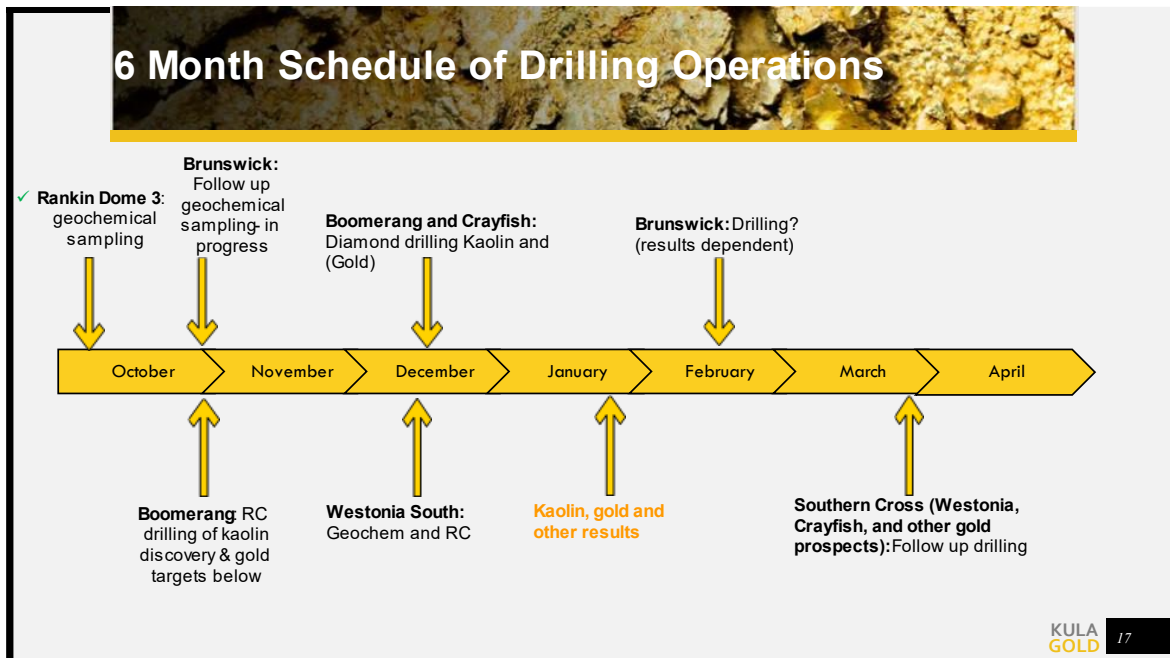


**Figure 5. The Lake Rebecca project map - gold borders denote Kula Gold tenements**

Newly interpreted greenstone traverses into Kula's ground as shown by the white dotted lines.

Recent activity in the area with the takeover announcements for Apollo Consolidated (ASX:AOP) by Ramelius Resources Ltd (ASX:RMS) and then by Gold Road Resources Ltd (ASX:GOR) demonstrate the emerging potential of this area. The Company has approved work programs in place for further work.

## Upcoming Drilling



## Corporate

During the quarter, 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 \$64,000.

By order of the Board

### For Further Information, Contact:

Luke Abbott – Company Secretary

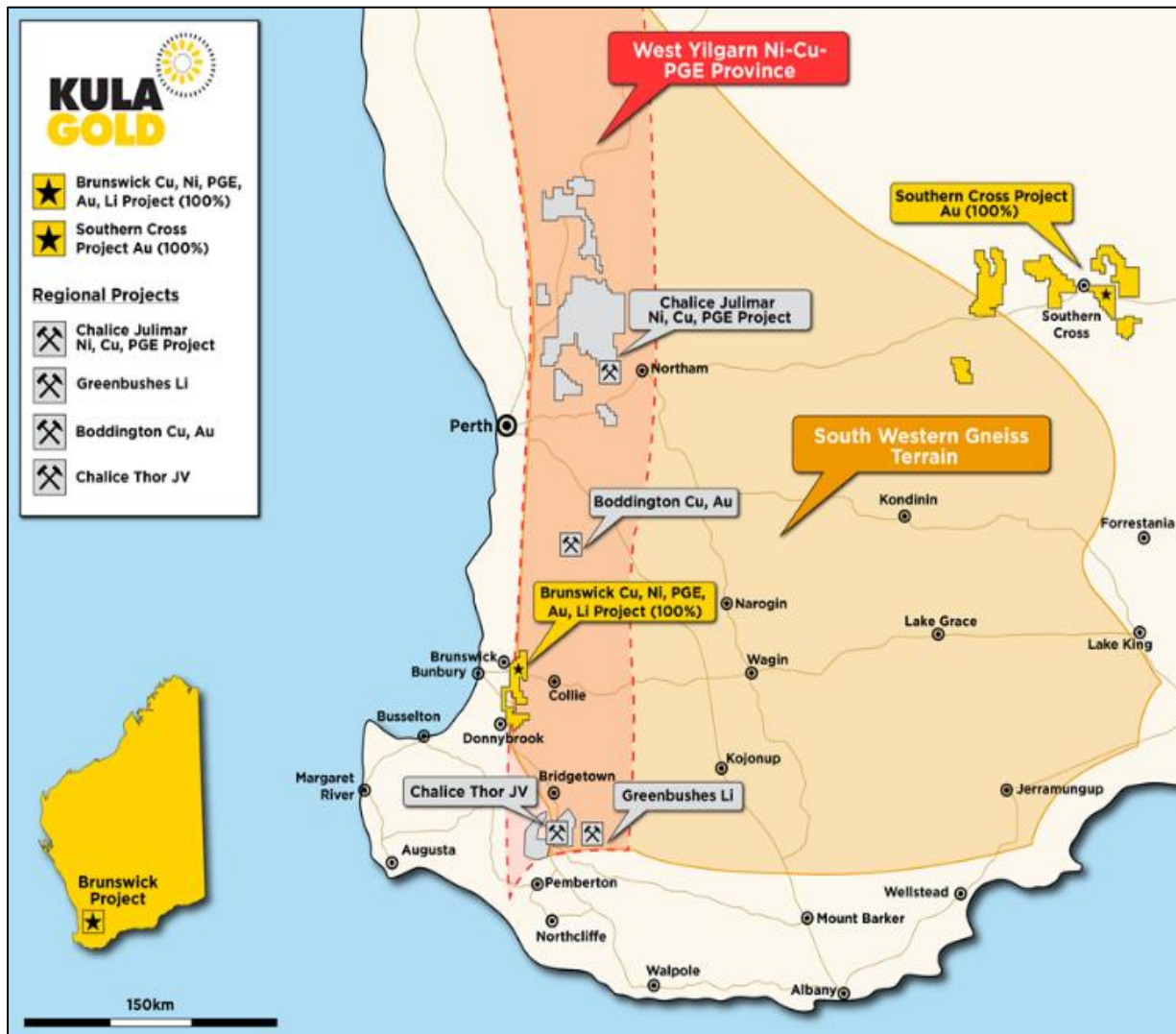
T: +61 8 6144 0592 email: [cosec@kulagold.com.au](mailto:cosec@kulagold.com.au)

[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

Region	Project	Tenement	Status	Interest Acquired during the Qtr	Interest Disposed of During the Qtr	Interest At End of Qtr
Southern Cross Region	Rankin Dome	E77/2709	Granted			100%
		E77/2753	Granted			100%
		E77/2768	Granted			100%
	Westonia	E77/2756	Granted			100%
		E77/2757	Granted			100%
		E77/2762	Granted			100%
		E77/2766	Granted			100%
	Marvel Loch - Airfield	E77/2621	Granted			100%
		E77/2706	Pending			100%
		E77/2707	Pending			100%
		E77/2708	Pending			100%
	Burracoppin	E70/5693	Granted			100%
South West Region	Brunswick	E70/5599	Granted			100%
		E70/5703	Granted			100%
		E70/5513	Granted			100%
		E70/5645	Granted			100%
		E70/5660	Granted	100%		100%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted			100%
		E28/3029	Granted			100%
		E28/3137	Pending			100%
	Boorabbin North	E15/1819	Pending			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 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(206)	(862)
	(b) development		
	(c) production		
	(d) staff costs	(18)	(57)
	(e) administration and corporate costs	(108)	(245)
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>(332)</b>	<b>(1,164)</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 (9 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)	1,800	2,735
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	(114)	(176)
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>1,686</b>	<b>2,559</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	1,230	1,189
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(332)	(1,164)
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)	1,686	2,559



## 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 (9 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>2,584</b>	<b>2,584</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	2,554	1,200
5.2	Call deposits	30	30
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>2,584</b>	<b>1,230</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	(64)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

<b>7. 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. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(332)
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)	(332)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,584
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,584
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.78
<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: .....26/10/2021.....

Authorised by: .....By Order of the Board.....  
(Name of body or officer authorising release – see note 4)

## 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.