Date: 15th December 2021

ASX Code: KGD

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Mark Stowell (Chairman)
Mark Bojanjac
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Shares on Issue:
215,175,632 Ordinary Shares
3,100,000 Options

Cash (Q3/2021):
$2.5 Million

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ASX Announcement & Media Release

Diamond Drilling of the Crayfish Gold Prospect at the Marvel Loch – Airfield Project Completed

Highlights:

- **Three (3) diamond drill holes totalling 363m have been completed.**
- **Greenstone and quartz veining intersected in all holes**
- **Geological interpretation in progress**
- **Core sampled and in transit to laboratory for assay**

Kula Gold Limited (KGD) is pleased to announce the completion of diamond drilling at the Crayfish Prospect at Kula's 100% owned Marvel Loch – Airfield Project (Figure 1).

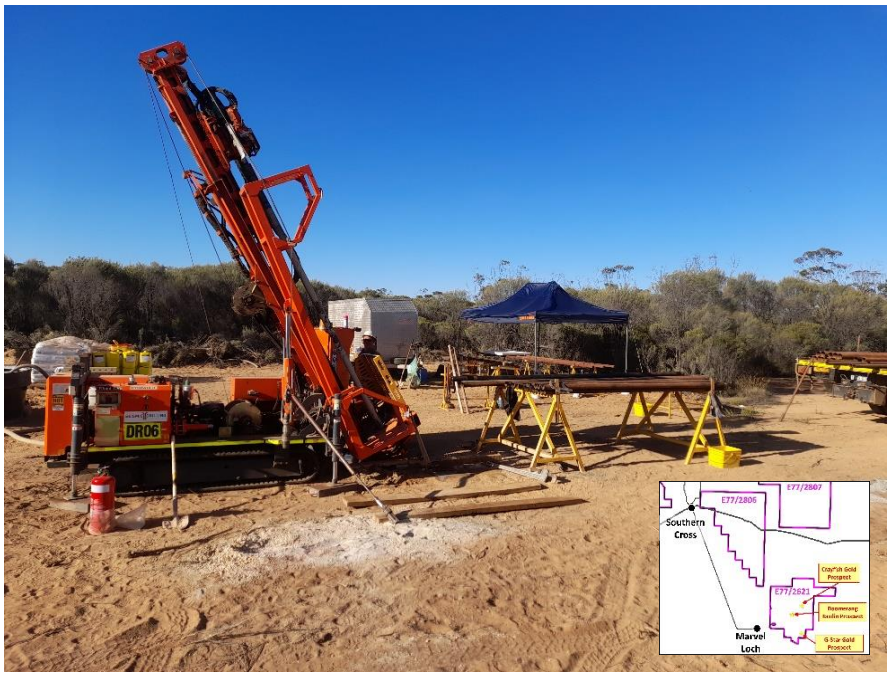

Figure 1. Diamond rig at the Crayfish Gold Prospect, Marvel Loch-Airfield Project

Three (3) holes were completed for a total 363.1m (including 112.1m of mud rotary pre-collars and 251m of NQ2 core) at the Crayfish Prospect. Collar Locations are provided in Figure 2.

The reverse circulation (RC) drill program on E77/2621 discovered previously unmapped amphibolite (greenstone-refer ASX release 2nd July 2021) within the Ghooli Dome, previously mapped by GSWA as granite. This program warranted a follow up diamond drilling program to obtain oriented structural and lithology data for the next stage of drilling and expand the Company's geological knowledge of the area given the largest producing gold mines within the prolific Southern Cross region are hosted by regional greenstone belts.

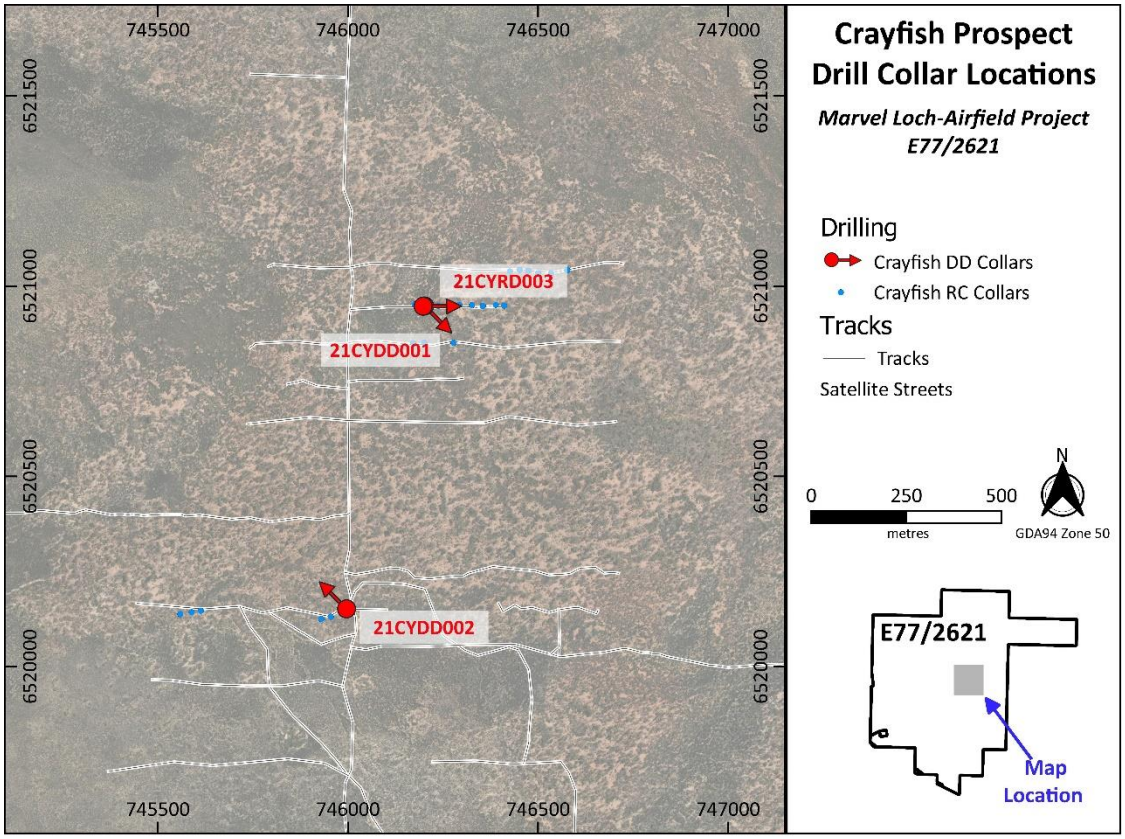

Figure 2: Drill Collar location map, with arrow indicating azimuth hole was drilled.

Diamond drilling also aimed to test the potential extension and orientation of the low-level gold anomalism returned in 21CYRC004 and 21CYRC005 (see Figure 3) with 21CYRD003 drilled as a diamond tail to original RC hole 21CRYC003, extending the hole by 80.5m (to a total downhole depth of 145.8m). Orientation readings taken from 21CYRD003 were used to design a 2nd drill hole targeted to intercept the structures, veins, and contacts at a more optimal angle. This follow up hole, 21CYDD001, was drilled from surface on the same drill pad to a total downhole depth of 141.4m (including the 54.4m mud rotary pre-collar).

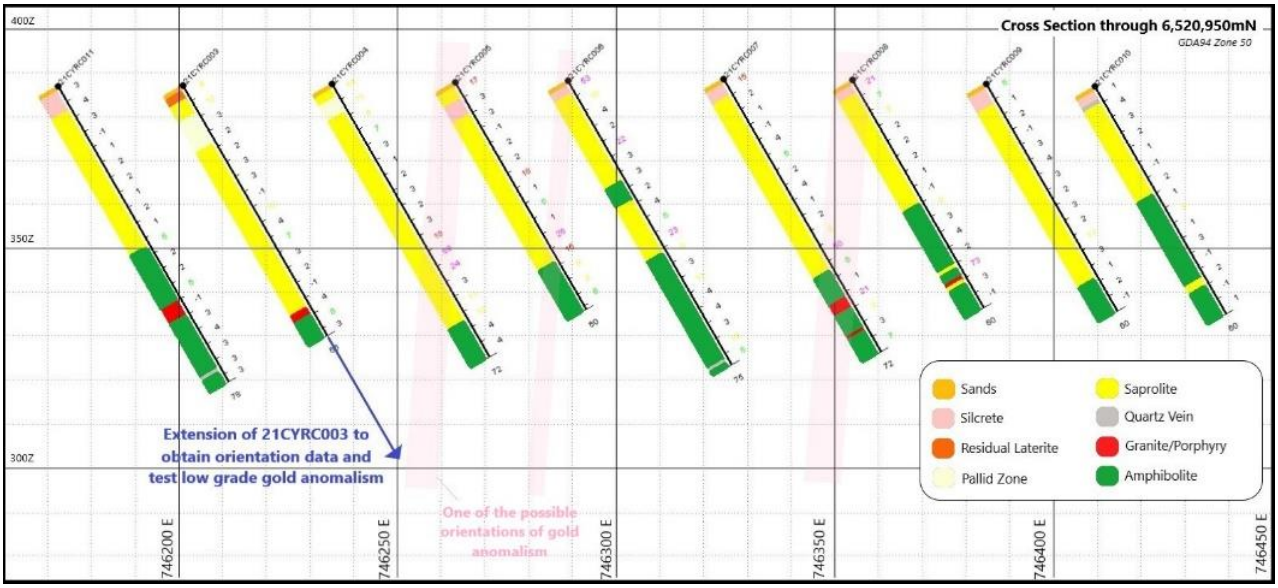

Figure 3: Cross section through existing RC holes at Crayfish along 6 520 950mN showing the extension of 21CRYC003 and one of the potential orientations for the low-level gold anomalism.

Given their close location, 21CYRD003 and 21CYDD001 intercepted similar lithologies—pegmatitic granite and amphibolite gneiss, variably silica-altered amphibolite, variably quartz veined and foliated amphibolite, and quartz-veined, garnet-rich amphibolite—as shown in Figure 4. In both holes, trace sulphides (dominantly pyrite and chalcopyrite) were observed within some sections of the silica-altered amphibolite and the garnet-rich amphibolite.

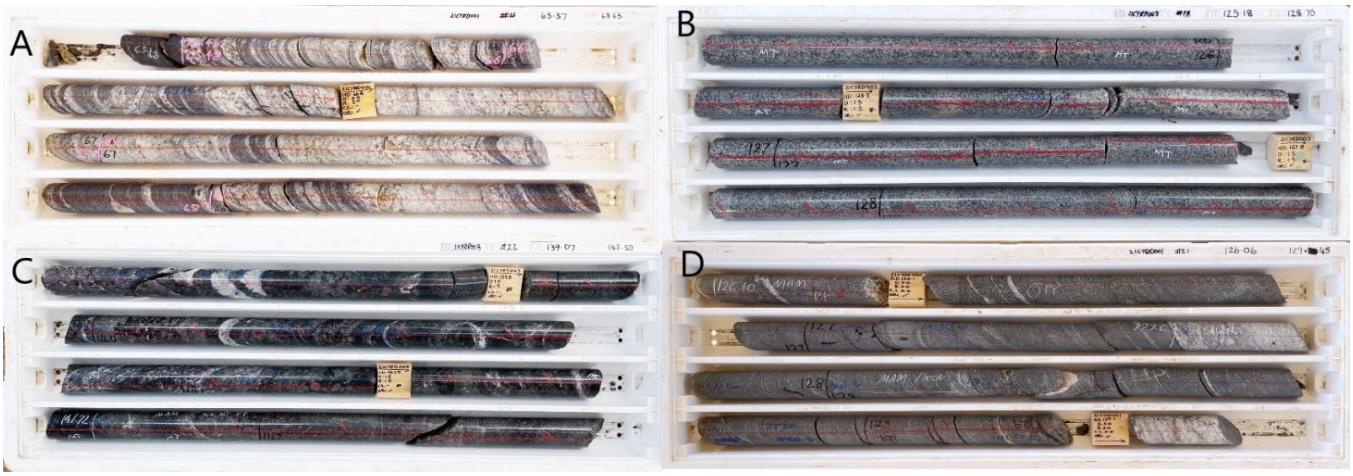

Figure 4: Photographs from 21CYRD003 (B & C) and 21CYDD001 (A & D) showing representative intercepts of the different lithologies encountered. A: pegmatitic granite and amphibolite gneiss. B: strongly silica- altered, weakly foliated amphibolite. C: Garnet-rich amphibolite with quartz veining, and D: weak-moderately foliated amphibolite with quartz veining.

21CYDD002 was collared approximately 400m south, targeting the strongly quartz veined amphibolite intercepted in RC holes drilled in the April Program (21CYRC015 – 21CYRC017), and was drilled to a total depth of 141.2m (including a mud rotary pre-collar of 57.7m). Representative photographs of the amphibolite, silica-altered amphibolite and quartz veining is provided in Figure 5.

Geological interpretation of the newly acquired data is ongoing and results will be reported as received and analysed.

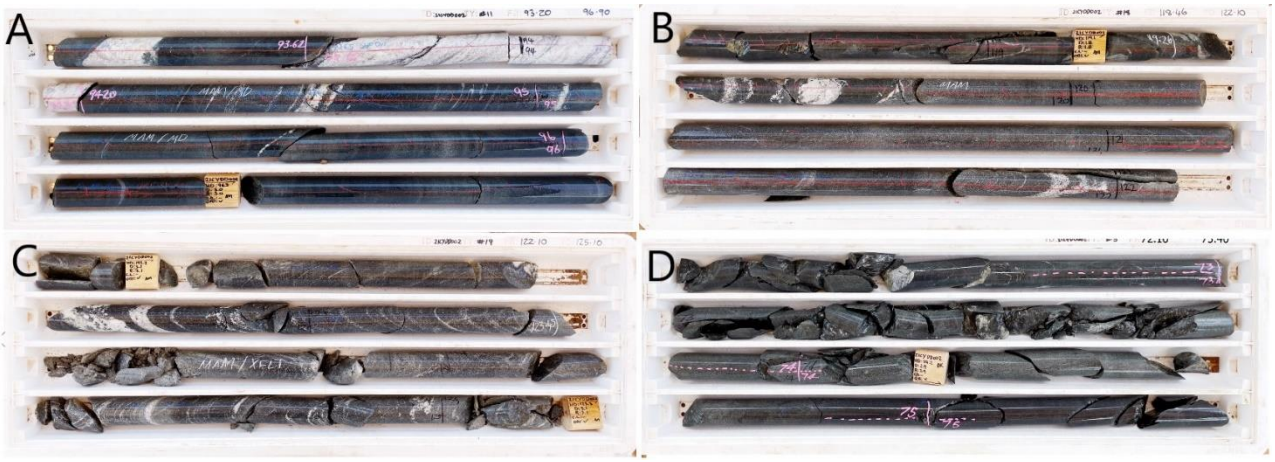

Figure 5: Photographs from 21CYDD002 showing, A: amphibolite with quartz veining, B: silica-altered amphibolite with quartz veining, and examples of the brittle faulting within silica-altered amphibolite (C) and finer grained amphibolite (D)

By order of the Board

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 deposits.

The company has projects within the Southern Cross WA region including Rankin Dome and Marvel Loch, as well as near Kurnalpi and Brunswick. The company has a history of large gold resource discoveries with its foundation Woodlark Island project in PNG.

Competent Person Statement

The information in this report that relates to geology and exploration is based on information compiled by Mrs. Melanie Hickman, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mrs. Hickman is a Geology and Exploration Consultant who has been engaged by Kula Gold Ltd. Mrs. Hickman 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). Mrs. Hickman consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Summary of Drill Holes.

Hole ID	Northing	Easting	RL	Dip	Azimuth	Pre-collar Depth (m)	EOH Depth (m)
21CYRD003	746201	6520947	387	-60	090	65.3	145.8
21CYDD001	746204	6520946	387	-60	135	54.4	141.4
21CYDD002	745994	6520154	387	-60	315	57.7	141.2

Table 1.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample are representative and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were taken in generally 1m intervals from NQ2 diamond core, cut in half along the long core axis, from which up to 3kg was pulverized to produce 25g for aqua regia digest and mass spectrometry finish for gold and 33 elements.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast,*	• Diamond drilling was NQ2 with nominal 50.6mm core diameter.

Criteria	JORC Code explanation	Commentary
	auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	○ 21CYRD003 was a diamond tail on RC hole 21CYRC003, pre-collared to 65.3m downhole. ○ 21CYDD001 & 21CYDD002 were drilled were pre-collared from surface using mud rotary drill technique, with no sample returned until drilling of NQ2 commenced at 54.4m and 57.7m respectively.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The diamond drillers use a core barrel and wire line unit to recover the core, with the aim to recover all core at all times and adjust their drilling methods and rates to minimize core loss, i.e. different techniques for broken ground to ensure as little core as possible is washed away with drill cuttings. • Kula Geologists orientated and measured all core, recording any intervals of core loss. • There is no known relationship between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging is completed for all core and is representative across the prospect. The lithology, alteration, grainsize, texture, colour, weathering, oxidation, veining, presence of any sulphides and structural orientation readings were digitally logged into excel spreadsheets at the time of drilling. • Core was not geotechnically logged due to the early nature of e • Logging is both qualitative and quantitative depending on the field being logged. • All core was logged from the start of the NQ2 (after pre-collar) to end of hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond core was cut in half along the long core axis using a Clipper CM42 Brick Saw with NQ2 core carrier. • The core was consistently cut 10-15º clockwise from the orientation line, with the same "side" of the core consistently sampled. • The entirety of the core was sampled generally on 1m intervals, however sample intervals were adapted to respect the logged lithology, alteration and structures of interest. • Duplicate samples were taken from zones of interest, and standards inserted where the competent person felt appropriate. 275 samples in total were taken, including 5 duplicates and 5 standards.

Criteria	JORC Code explanation	Commentary
		• The sample size is appropriate for the rock type encountered and sample medium.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The analytical method and procedure was recommended by the laboratory for exploration and are appropriate at the time of undertaking. • The laboratory inserts a range of standard samples in the sample sequence, the results of which are reported to the Company. • The laboratory uses a series of control samples to calibrate the XRD and XRD instrumentation, and the mass spectrometer. • All analytical work was completed by an independent analytical laboratory.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample and assay data from diamond drilling has been compiled and reviewed by the KGD Competent Person listed on this release, who was involved in the logging and sampling of the drilling at the time. • No independent intercept verification has been undertaken. • Primary collar, lithology data and sample data is captured directly in excel spreadsheets, set up with inbuilt validation to minimize data entry errors. • Independent data specialists use Microsoft Access to directly load the data from the spreadsheets into the sharepoint-hosted database, accessible by KGD geologists in read only format. • Independent data specialists upload all assay results to the database directly from the results file received from the lab. • No adjustments have been made to the data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar locations were captured with handheld GPS at the time of drilling. • The grid system used is UTM GDA 94 Zone 50
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade*	• Drill hole spacing is sporadic at this early stage, with holes designed to test orientations within the areas of geological interest.

Criteria	JORC Code explanation	Commentary
	continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	• Data spacing and distribution is appropriate for the early stage of exploration and purpose of drilling. • No sample compositing was applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling was for orientation purposes – further geological interpretation once results are received is required to determine if the drill orientation achieved unbiased sampling with respect to orientation of key structures that may or may not be mineralized. • It is unknown at such an early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Drill core was logged on site at the rig. Core was transported to the cutting facility via KGD Staff, who completed the cutting and sampling. • Five sequential samples (bagged in prenumbered calico bags) were placed into polyweave bags and ziptied. Polyweave bags were placed in a bulky bag and transported via a KGD Contractor to the secure storage yard of Great Eastern Freightlines, who transported the samples directly to Intertek Genalysis in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E77/2621 a granted Exploration Licence 5km east of the Marvel Loch townsite which is 100% owned by Kula Gold Ltd and is not in any JV. • RSHA signed and negotiations in progress with TO's in relation to royalty.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Sons of Gwalia auger program previously reported on 5th Nov 2019 – Kula Gold Ltd Press Release "Marvel Loch – Airfield Gold Project"
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Crayfish Prospect is located within the southern part of the Ghooli Dome and is underlain by variably weathered Yilgarn Craton granites and amphibolite. The simplified geological succession in the prospect area consists of ○ Up to 1m of transported sand

Criteria	JORC Code explanation	Commentary
		and gravel (all downhole measurements) ○ Up to 15m of laterite and silcrete ○ Up to 20m of clays (kaolin and or smectite, plus other mafic clays) ○ Up to 15m weathered pegmatitic granite and/or amphibolite, then fresh pegmatitic granite and/or amphibolite. • The targeted mineralisation style is yet to be fully determined – the project has potential for Archean lode style gold in granite and/or greenstone hosted gold.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Presented above.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation methods were used. • No metal equivalents were used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• It is unknown at this stage whether mineralisation was encountered as assays are pending.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should*	• Collar location map included above. • representative section to be

Criteria	JORC Code explanation	Commentary
	include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	produced once assay results have been received and geological interpretation completed.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No grades have been reported for diamond drilling at this stage. Both high and low grades will be reported in due course.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Exploration data of relevance includes: ○ Sons of Gwalia Auger program – previously reported ASX release 5 Nov 2019. ○ Auger from Kula Gold Ltd – previously reported ASX release 29 January 2021 ○ AC and RC drilling completed by Kula Gold Ltd – previously reported ASX release 2 July 2021.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will be advised upon receipt of assays and subsequent geological interpretation.