



ASX Announcement & Media Release

Entitlement Offer

Date: 3 August 2022 **ACN:** 126 741 259 **ASX Code:** KGD

Highlights:

- One (1) for four (4) non-renounceable rights issue to raise \$1.08m.
- Attractively priced at 2 cents per share.
- Discount of 28% to the last price of 2.8 cents and 31% to the 10 day VWAP.
- Directors will participate for their full entitlement and sub-underwrite for a total of \$100k.
- Over the next 12 months, \$500k to be allocated to the Boomerang Kaolin Project and \$500k for further exploration work on the Company's other emerging projects at Westonia, Marvel Loch and Donnybrook.

Kula Gold Limited ("Kula" or "the Company") is pleased to announce that it will undertake a non-renounceable pro-rata entitlement offer ("Entitlement Offer") to eligible shareholders on the basis of one (1) fully paid ordinary shares ("New Shares") for every four (4) fully paid ordinary shares held ("Shares") at an issue price of \$0.02 to raise approximately \$1.08 million before costs.

The issue price represents a 31.30% 5 day volume weighted average price ("VWAP"), a 30.84% discount to the 10 day VWAP and a 19.49% discount to the 30 day VWAP for shares in the Company last traded on the Australian Securities Exchange ("ASX") on 29 July 2022.

Entitlement Offer

The Entitlement Offer will be made under a prospectus that the Company intends to lodge with ASIC and announce to ASX before commencement of trading on 5 August 2022 to all holders of Shares in the Company ("Eligible Shareholders") who hold shares in the capital of the Company as at 5.00pm (AWST) on 10 August 2022 ("Record Date") ("Entitlement"). The Company will make an application to the ASX for official quotation of the New Shares.

The right to subscribe for the New Shares in accordance with an Entitlement under the Entitlement Offer will be non-renounceable (meaning Entitlements cannot be traded and are not otherwise transferable) and is underwritten for a total of \$100,000 by the Directors (who will not receive any underwriting fee). New Shares issued pursuant to the Entitlement Offer will rank equally with all fully paid ordinary shares on issue. Under the Entitlement Offer, Kula will issue a maximum of approximately 53,793,908 New Shares (assuming no options are exercised prior to the Record Date).

Subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, the Directors reserve the right to deal with New Shares which are not taken up by Eligible Shareholders under the Entitlement Offer ("Shortfall Shares") within three months after the Closing Date. The Company has appointed Taylor Collison to place, on a best efforts basis, any Shortfall Shares. Taylor Collison will be paid a fee of 6% on any shortfall it places.

Eligible Shareholders who take up all of their rights under the Entitlement Offer will also be afforded the opportunity to apply for Shortfall Shares in excess of their Entitlement to the extent there is any shortfall under the Entitlement Offer.

Board of Directors:

Mark Stowell (Chairman)
Mark Bojanjac
John Hannaford
Simon Adams

Shares on Issue:

215,175,632 Ordinary Shares

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Shortfall Shares will be issued at the discretion of Taylor Collison and the Directors, taking the following allocation policy into account:

- a) where the Directors consider it is in the best interest of the Company to allocate any portion of the Shortfall Shares to a particular applicant or to particular applicants in order to maximise the total funds raised from the Offer, the Directors may do so;
- b) the Directors will generally endeavour to allocate the Shortfall Shares in a manner which is fair to applicants;
- c) the Directors will not allocate or issue Shortfall Shares, where it is aware that to do so would result in a breach of the Corporation Act 2001 (Cth), the ASX Listing Rules or any other relevant legislation or law;
- d) applications for Shortfall Shares may be scaled back at the Directors' discretion; and
- e) the Directors may reject any application for Shortfall Shares or allocate fewer Shortfall Shares than applied for by applicants, in which case any excess application money will be refunded without interest.

Further details of the Entitlement Offer will be contained in the prospectus to be released to the market prior to market open on 5 August 2022. Eligible Shareholders should consider the prospectus carefully before deciding whether to participate in the Entitlement Offer and consult their professional advisors if they have any queries.

Use of Funds

Approximately 50% of the proceeds from the Entitlement Offer will be used to commence a scoping study on the recently announced 93.3mt maiden JORC Resource at the Boomerang Kaolin Project.

The remaining proceeds from the Entitlement Offer will go towards continued exploration work on the Company's emerging projects at Westonia, Marvel Loch and Donnybrook and for working capital.

Indicative Timetable

Event	Date
Entitlement Offer announced	3 August 2022
Prospectus lodged with ASIC and ASX	Before trading on 5 August 2022
'Ex' Date	9 August 2022
Record Date	10 August 2022
Prospectus and Entitlement and Acceptance Forms despatched to Eligible Shareholders	15 August 2022
Opening Date	15 August 2022
Closing Date	29 August 2022
Securities quoted on a deferred settlement basis	30 August 2022
Announcement of results of Offer	5 September 2022
Issue of New Shares and despatch of holding statements	5 September 2022
Commencement of trading of New Shares	6 September 2022

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, the Directors of the Company reserve the right to vary these dates, including the closing date of the Entitlement Offer, without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, application money will be returned without interest.

This announcement has been approved for release by the Company's board of directors.

For Further Information, Contact:

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About the Company

Kula Gold Limited (ASX: KGD) is a Western Australian 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, Westionia, Burracoppin and Marvel Loch, as well as near Kurnalpi, Coolgardie and Brunswick. The Company has a history of large gold resource discoveries with its foundation being the Woodlark Island project in PNG subsequently joint ventured and remaining interest sold to ASX: GPR.