

**Quarterly Activity Report
for the period ended 30 September 2022**

Date: 26 October 2022

ACN: 126 741 259

ASX Code: KGD

Highlights:

- A mag survey is being scheduled following the identification of 11 pegmatite targets at Kula’s Brunswick Lithium Project, situated 45km from the Greenbushes Lithium Mine.
- Further fieldwork is in progress to identify more potential lithium bearing pegmatites.
- A Heli VTEM & mag survey has been approved and scheduled for November with the aim to refine drill targets at Kula’s Westonia Project, situated less than 5km South of the Edna May Gold Mine.
- Commercialisation studies are progressing with the focus on showing more opportunities for bulk volume of Metakaolin production including for the Green Construction Industry.

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity report for the period ended 30 September 2022.

BRUNSWICK PROJECT

Brunswick Lithium Project

The Company continued with ongoing exploration activities at its 100% owned Brunswick Lithium Project, located approximately 45km from the Greenbushes Lithium Mine in the SW of Western Australia, which successfully identified six pegmatitic target zones along a N/S striking radiometric trend that runs for over 16km (Figure 1).

[\(Refer ASX Announcement on 7 September 2022, Lithium Pegmatite Targets Identified at Brunswick\).](#)

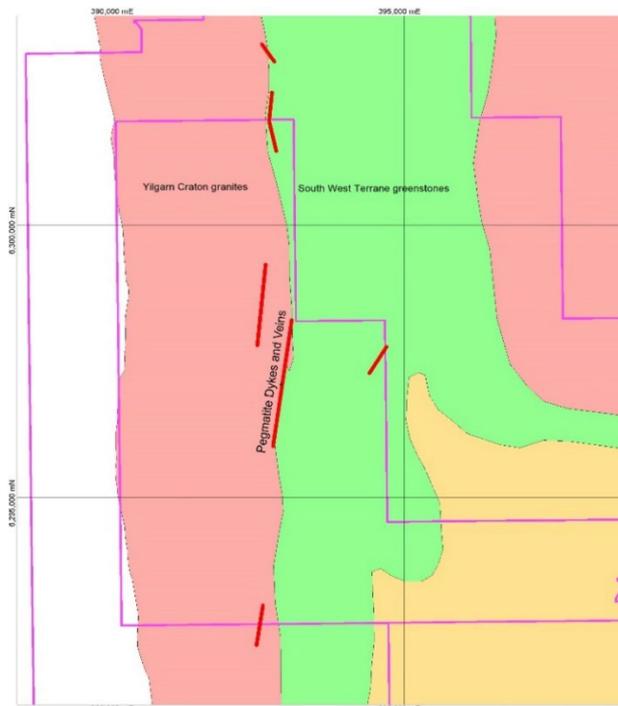


Figure 1 Mapped pegmatites (red) over the 1:100k state interpreted bedrock geology.

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Donnybrook Gold Mine Prospect

Exploration activities at the Donnybrook Gold Mine Prospect (“DBGM”) within the Company’s 100% owned Brunswick Project in the Southwest Region of WA saw soil sampling define a zone of up to approximately 50m wide with a current strike of 650m NNW (open in both directions) with anomalous gold in soils up to 176ppb, and rock samples to 3.47g/t gold.

Soil sampling also revealed an approximate 300m x 200m area of copper anomalism immediately northwest of Mt. Cara, with values up to 219ppm copper. This area remains open to the north.

Gold micro nuggets were panned from creeks originating within volcanic tuff at the new White Sands Prospect, located approximately 6km northeast of the DBGM Prospect.

Rock sampling results were obtained across a 50cm zone of exposed saprolite at the top of Mt. Cara and returned results ranging from 1.73g/t – 3.47g/t gold. Field repeat samples of up to 7.95g/t gold were also confirmed at the DBGM.

[\(Refer ASX Announcement on 4 July 2022, Rock Samples up to 7.95g/t Gold at the Donnybrook Prospect\).](#)

WESTONIA PROJECT

The Company focussed a maiden exploration program on the central portion of E77/2766 of the 100% owned Westonia Project, which is situated less than 5km south of the Edna May Gold Mine (Figure 2).

The Company reported anomalous geochemical results to 125ppb Pt + Pd (combined) and up to 35ppb gold in geochemical auger sampling, as well as 1.85g/t gold in a quartz vein rock sample from a lateritic breakaway.

[\(Refer ASX Announcement on 30 August 2022, Maiden Exploration Program – Westonia Project\).](#)

As a result of the encouraging maiden exploration program the Company has approved an airborne Heli VTEM and magnetic survey across the entirety of its 100% owned Westonia South Project. The VTEM survey is scheduled for November.

[\(Refer ASX Announcement on 29 September 2022, Heli VTEM & Mag Survey – Westonia & Mag Survey – Brunswick\).](#)

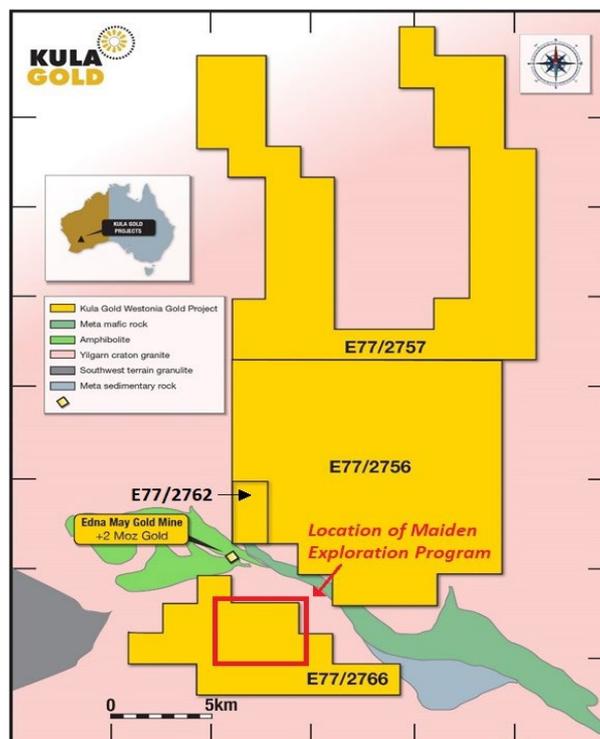


Figure 2: Location of the maiden exploration program, located less than 5km South of the Edna May Gold Mine.

MARVEL LOCH – AIRFIELD PROJECT

Boomerang Kaolin Deposit

The Company completed its maiden Mineral Resource Estimate for the Boomerang Kaolin Deposit near Marvel Loch/Southern Cross, Western Australia.

The independent JORC 2012 compliant resource estimate reported a total resource of 93.3mt of Kaolinized Granite, which is made up of an indicated resource of 15.2mt and an inferred resource of 78.1mt. The orebody is open laterally in all directions.

Commercialisation studies are progressing with the focus on showing more opportunities for bulk volume of Metakaolin production including for the Green Construction Industry.

(Refer [ASX Announcements on 20 July 2022, Boomerang Kaolin Project – Maiden JORC Resource 93.3mt & Boomerang Kaolin – Presentation](#)).

RANKIN DOME PROJECT

The Company released an update to the market on 15 July 2022 ([Refer ASX Announcement on 15 July 2022, Rankin Dome Rare Earth Element Update – Southern Cross Region](#)) followed on the 9th of August 2022 with a more significant market release in relation to this project, being the execution of a binding Farm-In Agreement with Australian Critical Minerals Pty Ltd in respect of the Company’s non-core Rankin Dome Project comprising of three tenements being E77/2709, E77/2753 and E77/2768 ([Refer ASX Announcement on 9 August 2022, Farm-in and Joint Venture Agreement – Rankin Dome](#)).

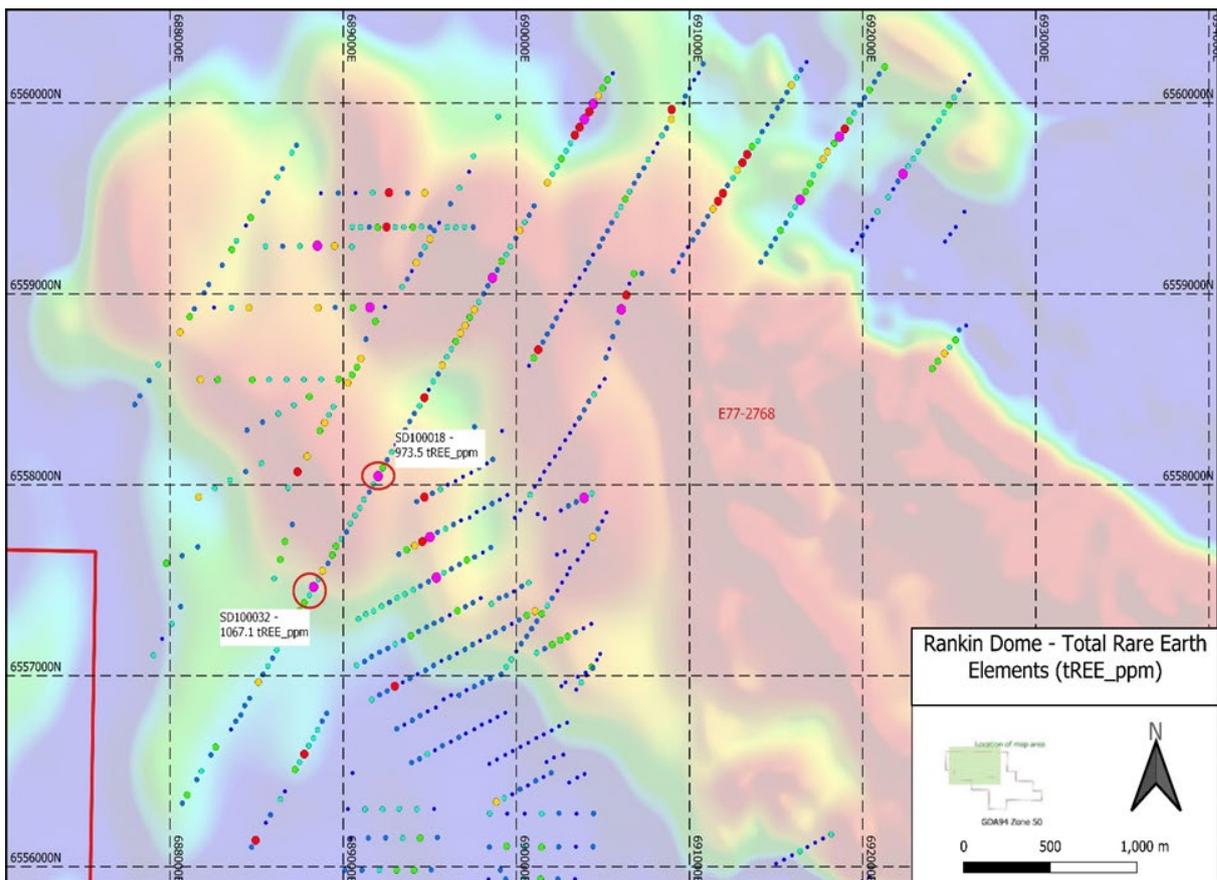


Figure 3: Auger geochemistry results (tREE ppm) over reprocessed regional RTP-TMI_VD1e magnetics.

OTHER TENEMENTS

During the quarter, the Company reduced the size of its Lake Rebecca Project following the part surrender of tenement E28/2942.

CORPORATE ACTIVITIES

The Company completed capital raisings totalling \$2.88m during the quarter, of which \$0.5m is subject to shareholder approval at the General Meeting for an investment by Terra Capital, a specialist resource fund.

Payments to related parties during the quarter totalled \$62,670 which included director's fees, consulting fees and office lease.

By order of the Board

For Further Information, Contact:

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About the Company

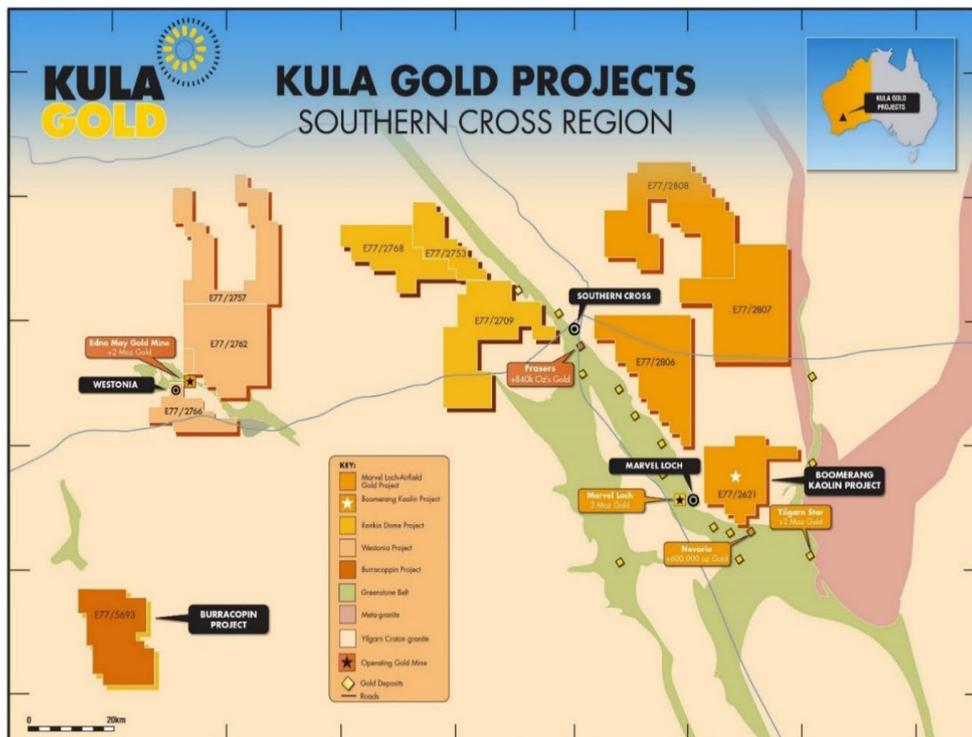
Kula Gold Limited (ASX: KGD) is a Western Australian mineral exploration company with expertise in the discovery of new mineral deposits in WA. The strategy is via large land positions and structural geological settings capable of hosting ~+1m oz gold or equivalent sized deposits including Lithium.

The Company is advancing projects within the South West region of WA for Lithium and Gold at Brunswick, as well as Gold and PGE at Westonia adjacent to the producing Edna May Gold Mine (owned by ASX: RMS) in the WA goldfields.

The Company has a history of large resource discoveries with its foundation being the Woodlark Island Gold project in PNG, (+1m oz Gold) which was subsequently joint ventured and sold to (ASX: GPR).

Kula's recent discovery was the large 93.3mt Boomerang Kaolin deposit near Southern Cross WA – Maiden resource announced 20 July 2022. This project is in the economic study phase and moving to PE funding or trade JV.

The exploration team are busily working towards the next mineral discovery, potentially Lithium near the world class Greenbushes Lithium Mine.



Tenement List

Region	Project	Tenement	Status	Grant Date	Interest Acquired during the Qtr	Interest Disposed of During the Qtr	Interest At End of Qtr
Southern Cross Region	Rankin Dome	E77/2709	Granted	8/10/2021			100%
		E77/2753	Granted	8/10/2021			100%
		E77/2768	Granted	26/03/2021			100%
	Westonia	E77/2756	Granted	8/10/2021			100%
		E77/2757	Granted	8/10/2021			100%
		E77/2762	Granted	8/10/2021			100%
		E77/2766	Granted	8/10/2021			100%
	Marvel Loch - Airfield	E77/2621	Granted	5/09/2021			100%
		E77/2806	Granted				100%
		E77/2807	Pending				100%
		E77/2808	Pending				100%
Burracoppin	E70/5693	Granted	11/05/2021			100%	
South West Region	Brunswick	E70/5599	Granted	26/07/2021			100%
		E70/5703	Granted	26/05/2021			100%
		E70/5513	Granted	23/02/2021			100%
		E70/5645	Granted	6/05/2021			100%
		E70/5660	Granted	28/04/2021			100%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted	21/04/2020			100%
		E28/3029	Granted	10/03/2021			100%
		E28/3137	Pending				100%
Coolgardie Region	Boorabbin North	E15/1819	Granted	27/01/2022			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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(600)	(1,959)
(b) development		
(c) production		
(d) staff costs	(128)	(201)
(e) administration and corporate costs	(88)	(223)
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)		
1.9 Net cash from / (used in) operating activities	(816)	(2,383)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(59)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

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
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)		
2.6	Net cash from / (used in) investing activities	-	(59)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,421	2,421
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	(103)	(103)
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)		
3.10	Net cash from / (used in) financing activities	2,318	2,318
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	513	2,139
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(816)	(2,383)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(59)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,318	2,318

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	Cash and cash equivalents at end of period	2,015	2,015

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	1,985	483
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,015	513

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	(63)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities <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>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(816)
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)	(816)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,015
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,015
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.47
<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	
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	
<i>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.</i>	

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 October 2022.....

Authorised by:By 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.