



ASX Announcement & Media Release

Date: 28 November 2022 **ACN:** 126 741 259 **ASX Code:** KGD

Kula To Acquire A 70% Interest in Key Lithium Tenement – Kirup Project

Highlights:

- Kula has entered into an agreement to acquire a 70% interest (subject to the completion of satisfactory due diligence, shareholder and other regulatory approvals) in the lithium and related minerals in a key tenement to complement the existing Brunswick Project
- The Kirup Project with an area of 117km² and located within 25km of the world class Greenbushes Lithium Mine
- The Company is well funded to commence exploration activities on the multiple pegmatites already mapped within the tenement
- The purchase price includes a cash reimbursement of exploration expenditure of \$200,000, 12m fully paid ordinary shares and \$2m in fully paid ordinary shares upon announcing a JORC maiden resource on the Kirup Project of a minimum of 10mt of ore at a grade of 1% lithium or greater

Kula Gold Limited (“Kula” or “the Company”) is pleased to announce the proposed acquisition of a 70% interest in the lithium and related minerals in a key tenement, E70/5452 (“Kirup Project”) located within 25km of the world’s largest hard rock lithium mine, Greenbushes Lithium Mine (“Greenbushes”) in Western Australia.

Kula Chief Executive Officer Ric Dawson said *“What an amazing time to join the Company and work on such a suite of projects as the Brunswick and Kirup Projects in near jurisdiction to the substantial Greenbushes Mine. We are delighted to acquire a significant majority stake in a highly prospective lithium project in a world-renowned lithium district and increase our existing lithium exploration ground at Greenbushes in Western Australia. We have secured an outstanding exploration opportunity near our existing Brunswick Project to add to our existing portfolio of assets in Western Australia. We will proceed to exploring these tenements in a methodological step-by-step manner. We are pleased to joint venture with Sentinel Exploration Ltd and look forward to updating the market with our developments in due course.”*

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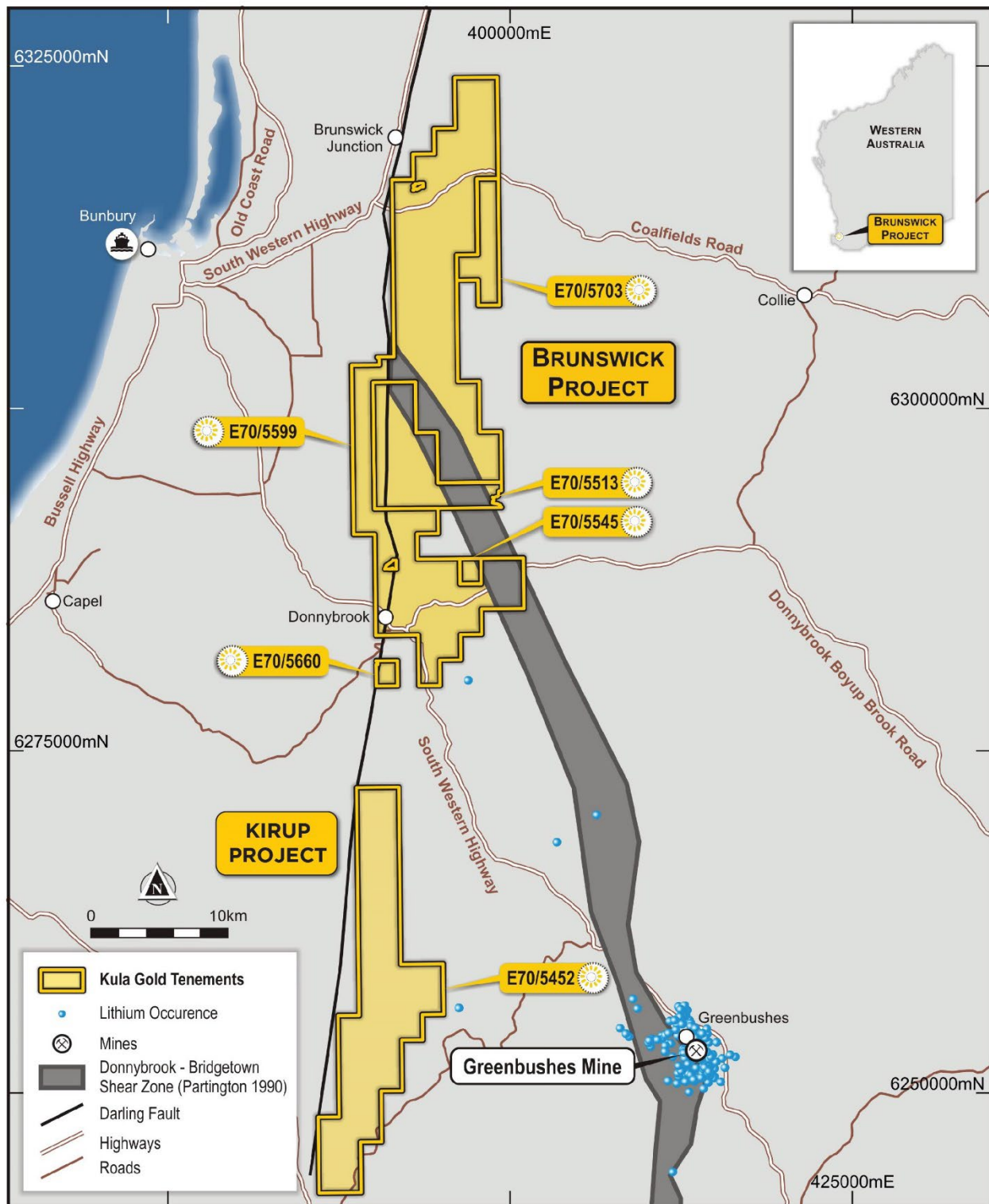


Figure 1: Kula's Kirup & Brunswick Projects, the DBSZ and proximity to Greenbushes Mine and infrastructure.

About Kirup Project

The Kirup Project is located 200km South of Perth, the capital of Western Australia. With an area of 117km², the Project was originally acquired by Merchant Ventures Pty Ltd, now a wholly owned subsidiary of Sentinel Exploration Ltd due to the proximity to the Greenbushes Lithium Mine and the numerous geological mapping and mineral occurrences and geophysical structures. The Project area commences approximately 25km West of the Greenbushes open pit mining operation (Figure 1).

Greenbushes is currently the largest hard-rock lithium mine in the world, operating since May 2014 by Talison Lithium Pty Ltd, an incorporated joint venture between Tianqi Lithium Corporation (51%) and Albemarle Corporation (49%). Greenbushes produces a concentrate of the lithium mineral, spodumene, to feed both China and Western Australia based mineral conversion plants or consumers of spodumene concentrates in Europe, North America and China. Australian mining company IGO Limited recently signed a deal to acquire a 24.99% stake in Greenbushes from Tianqi Lithium Corporation. Reports of work by earlier explorers and the Geological Survey of Western Australia* within the Project record the presence of pegmatites – a rock that may host spodumene – and so provides immediate exploration targets. Much of this earlier work focused on the discovery of the minerals cassiterite (tin) and tantalite (tantalum), as Greenbushes was at different times mining for these minerals before spodumene (lithium) became the major driver of revenue.

Recent data review by Sentinel Exploration Ltd has involved desktop reviews of all available WAMEX historical reports as per Table 1 and 2 and georeferencing maps, collating geochemical, all augur, percussion/reverse circulation (RC) and diamond core drilling data into modern GIS format and, collating all historical geophysical data.

A prospectivity target map has been created following both geological and geophysical interpretation from the data preparation, collation and review and is ready to start field work early in the new year upon settlement of the purchase agreement.

Minimal field work has been carried out until this precursory technical review has been performed.

Planned future work on the Kirup Project includes detailed and targeted pegmatite mapping and geochemical sampling over all the accessible pegmatites from the historical mapping as well as part of the due diligence process verification of historical mapped pegmatites.

Targets from geochemistry anomalies and possibly the planned geophysical survey will then be priority ranked for drill testing.

Plans are proceeding to securing and targeting a new low-level magnetics and radiometric surveys, quotes have been requested and subject to availability and awaiting the purchase agreement being approved before agreeing to proceed subject to acceptable terms.

*<https://geodocsget.dmr.wa.gov.au/api/GeoDocsGet?filekey=05e8d1ac-c598-4278-a2fc-03f965bcd300-g5psczyopvrdkg1vlsirrhrlrnm9rkqanzxxwra>

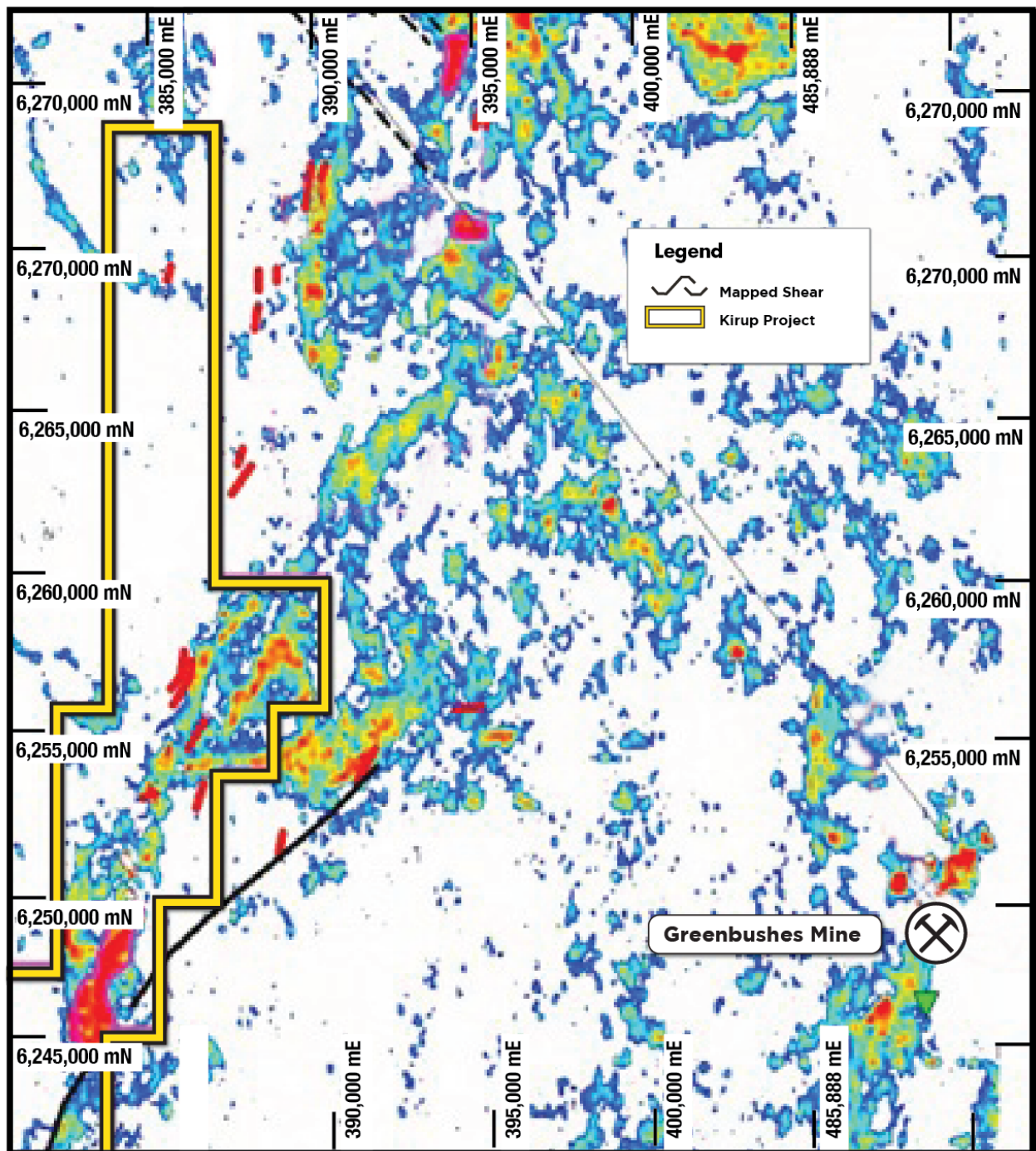


Figure 2: U^2/Th , Kirup Project E70/5452 within 25km West of Greenbushes.

As noted above in Figure 2, the very strong anomalous signature (red) and shear around the Greenbushes Mine provides a good target for Kula's technical team to explore the similar strong anomalous signature (red) and shear in the acquisition tenement. The U^2/Th ratio map above also highlights the Donnybrook-Bridgetown Shear Zone and note the structural juxtaposition of Pegmatites (red on this map) to the fault in the new Kirup Project tenement and the Greenbushes Lithium Mine.

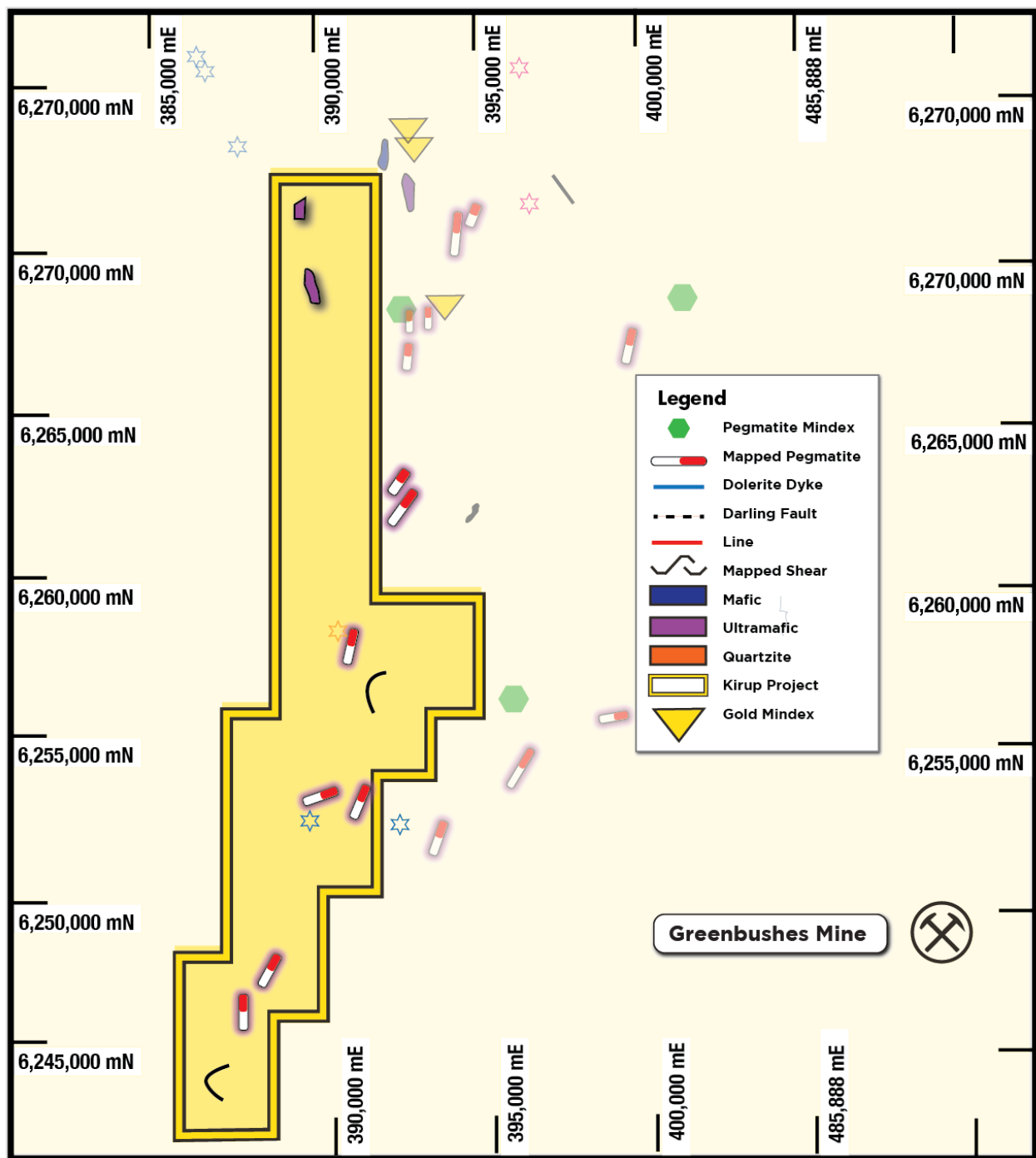


Figure 3: Kirup Project, E70/5452 with mapped pegmatites from GSWA 1:250k Collie Geological Map.

As noted above in Figure 3, the mapped pegmatites provide a good target for Kula's technical team to explore in the acquisition tenement.

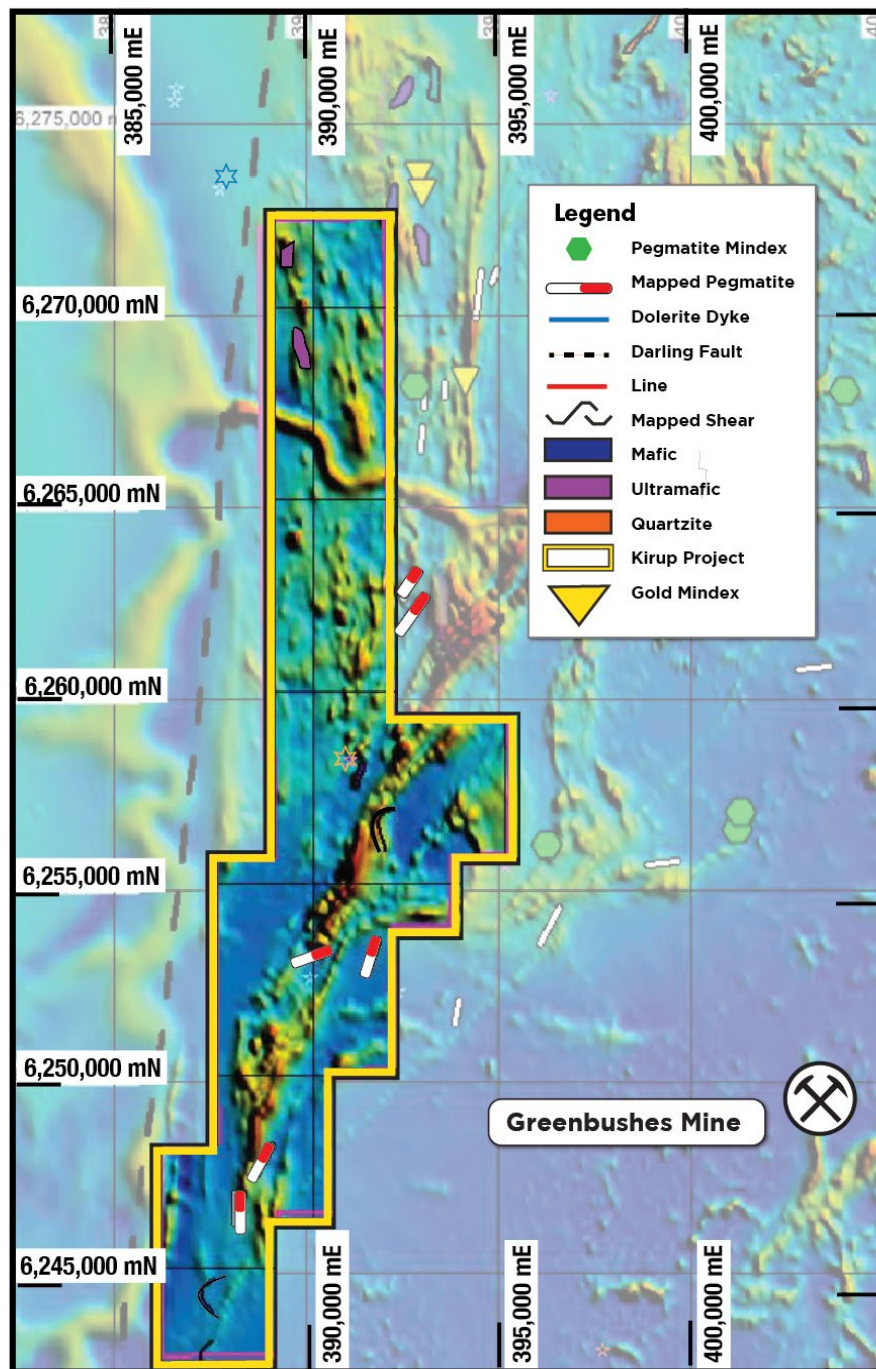


Figure 4: RTP Magnetics overlaid by the Geological highlights from the GSWA 1:250k Collie Geological Map.

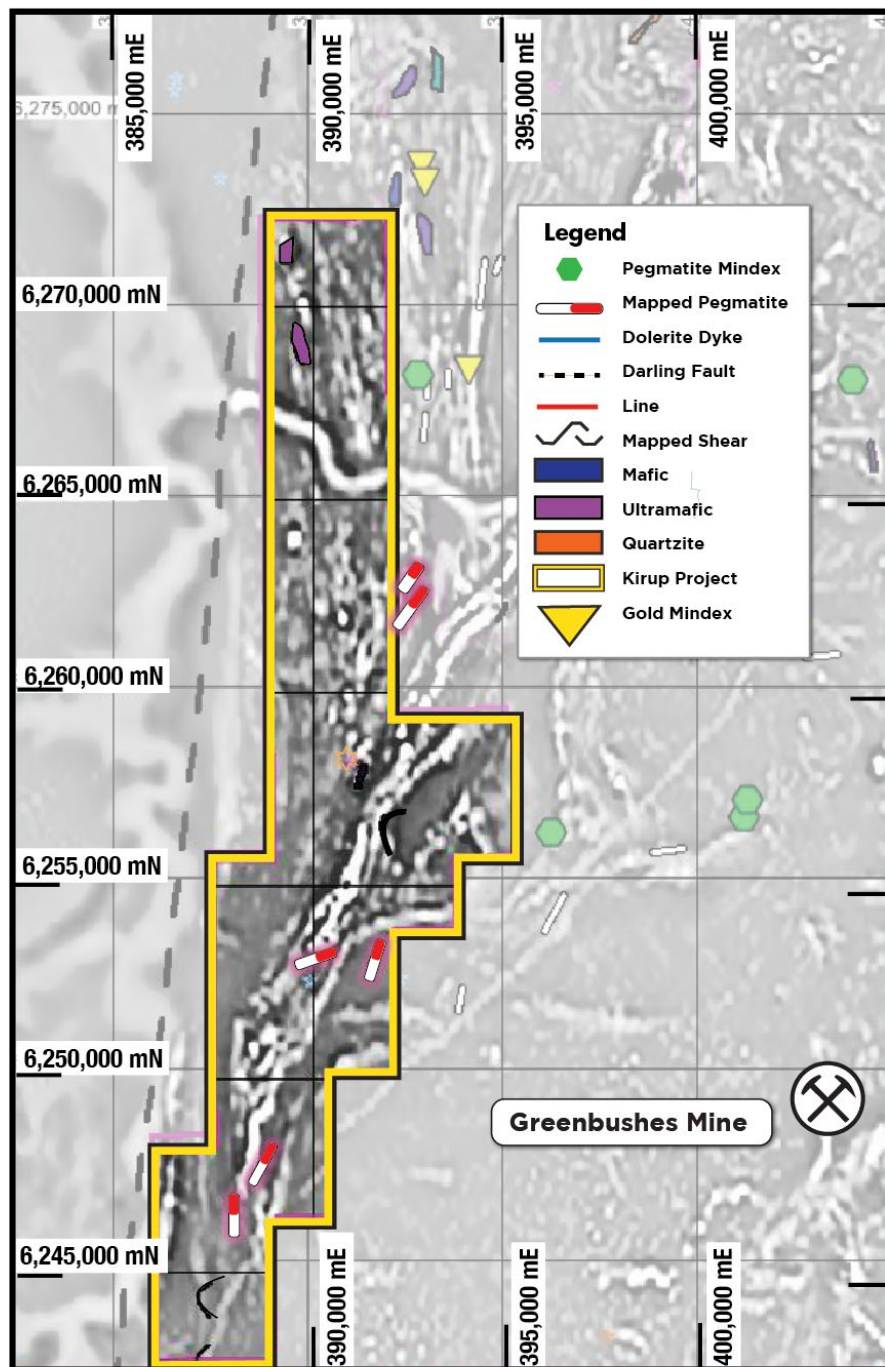


Figure 5: RTP 1 VD Magnetics overlaid by the Geological highlights from the GSWA 1:250k Collie Geological Map

As noted above in Figures 4 and 5, the very strong magnetic signature and mapped pegmatites provides a good target for Kula's technical team to explore lithium suite (LCT) mineralisation.

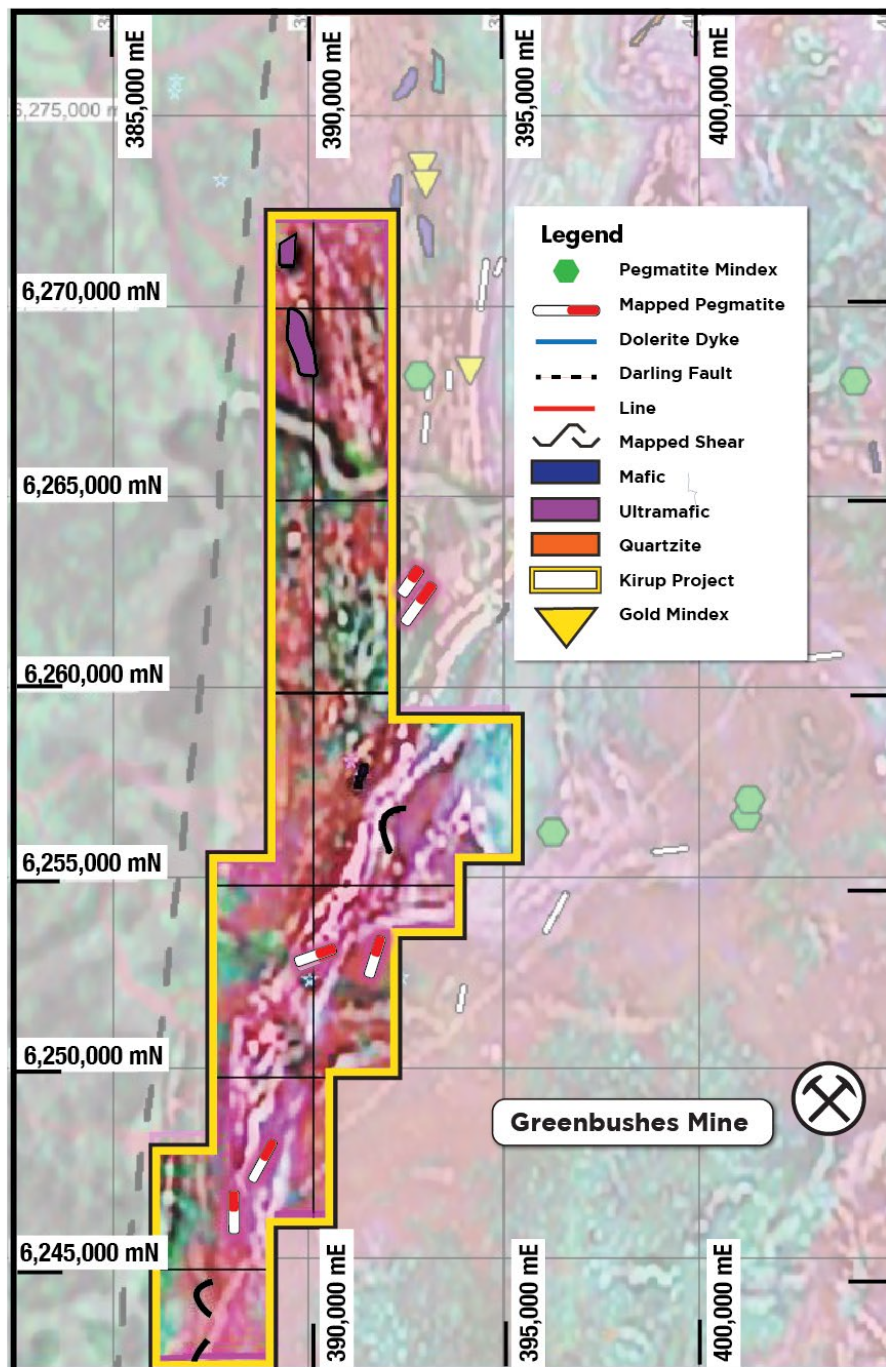


Figure 6: KThU RG8 image overlaid by the Geological highlights from the GSWA 1:250k Collie Geological Map

As noted above in Figure 6, the anomalous KThU signature (pink) around the Greenbushes Mine provides a good target for Kula's technical team to explore the similar anomalous KTHU signature (pink) in the acquisition tenement.

The Company is well funded to commence due diligence exploration activities and will announce results and progress in due course.

Kula has entered into a binding term sheet (“Agreement”) with Sentinel Exploration Ltd (“Sentinel”) (ACN 644 425 678), an Australian public unlisted company that holds the Kirup Project. Director Mark Stowell and former Director Simon Adams are Directors of Sentinel and collectively hold approximately 37.59% of its issued capital, and as a result the ASX has determined that Sentinel is a related party for the purposes of Chapter 10 of the Listing Rules. The terms of the Agreement are as follows:

- Kula to acquire a 70% interest in the Lithium Rights¹ in the Kirup Project, tenement E70/5452;
- The acquisition is conditional upon the following being satisfied by no later than 31 March 2023:
 - Kula completing due diligence to its satisfaction;
 - Kula obtaining all approvals under the Listing Rules for the acquisition (including approval by ASX for the terms of the deferred consideration);
 - Sentinel acquiring all of the issued share capital of Merchant Ventures Pty Ltd; and
 - the parties obtaining all approvals required under the Mining Act.
- Kula to:
 - pay \$70,000 upon signing the Agreement and \$130,000 upon completing the acquisition for reimbursement of exploration expenditure costs incurred to date by Sentinel. The exploration expenditure incurred to date includes tenement acquisition costs, rates, rent, tenement management costs, geology consultants review of historical data and numerous site visits collecting samples. These samples have been sent to the laboratory for analysis, results of which will be reported in due course;
 - issue 12,000,000 fully paid ordinary shares. As a result of ASX Listing Rule 10.7, these shares will be subject to a 12-month escrow period from the date of issue.
 - pay \$2m payable in fully paid ordinary shares issued at the 10-day VWAP (commencing upon announcing the resource), with a minimum issue price of \$0.04 on completion of a JORC maiden inferred resource on the Kirup Project of a minimum of 10mt of ore at a grade of 1% lithium (or metal equivalent) or greater within 5 years of the Lithium Rights being acquired. As a result of ASX Listing Rule 10.7, these securities will be subject to a 12-month escrow period from the date of issue.
 - free carried exploration for Sentinel for its 30% interest in the Kirup Project to the completion of an economic Feasibility Study viable for bank finance.
 - the term sheet contains warranties typical for a transaction of this nature.

¹ Lithium Rights as defined by the Agreement to be containing the elements Lithium, Tin, Tantalum, Scandium, Caesium, Gallium, Niobium, Yttrium, Tungsten, Rubidium and the Total Rare Earth Oxides.

Kula is currently preparing the material for a shareholder meeting to approve the transaction (including obtaining an independent expert’s report opining on the fairness and reasonableness of the acquisition) and anticipates the meeting to be held in March 2023.

This ASX announcement has been authorised by the Board of Kula Gold Limited

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About the Company

Kula (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 and Kirup, 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.

Competent Person Statement

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

JORC Code 2012 Edition -Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> No samples were taken by Kula Gold, historical samples will require QA/QC verification before publication
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, 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).</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling will require QA/QC verification before publication
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling and recovery will require QA/QC verification before publication

Criteria	JORC Code explanation	Commentary
	<p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> <i>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.</i> 	
Logging	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical logging will require QA/QC verification before publication
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling and sub-sampling and sample preparation will require QA/QC verification before publication
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical assay data will require QA/QC verification before publication

Criteria	JORC Code explanation	Commentary
	<p><i>used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <i>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.</i> 	
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling will require QA/QC verification before publication
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical location of data points will require QA/QC verification before publication
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling and data spacing will require QA/QC verification before publication
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised</i> 	<ul style="list-style-type: none"> It is unknown at such an early stage of exploration.

Criteria	JORC Code explanation	Commentary
	<i>structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical sample security will require QA/QC verification before publication
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No drilling has been undertaken by Kula Gold, historical drilling will require QA/QC verification before publication

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> E70/5452 is a granted Exploration Licence 25km west of the Greenbushes Lithium Mine, of which Kula Gold Limited will have 70% of the rights to lithium and associated lithium elemental suite minerals.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> West Coast Holding/Carr Boyd Minerals/Hill Minerals 1983-1987, seeking potentially gold bearing epithermal prospects BP Minerals (Seltrust) 1983-1984 Joint Venture, seeking gold bearing epithermal prospects BHP Minerals Limited 1984-1987 Joint Venture with 1, seeking gold bearing epithermal prospects Range Resources Ltd 2002-2007, initiated an IP Survey and RC drilling Ord River Diamond Pty Ltd/OneMet Minerals Ltd 2010-2014, Airborne geophysical survey by UTS Geophysics These and other reports in near proximity are readily available on the DMIRS website under WAMEX Reports https://www.dmp.wa.gov.au/WAMEX-Minerals-Exploration-1476.aspx Geological Survey of Western Australia 1:250,000 Collie Sheet Geological Map- mapped pegmatites, https://geodocsget.dmirs.wa.gov.au/api/GeoDocsGet?filekey=05e8d1ac-c598-4278-a2fc-

Criteria	JORC Code explanation	Commentary
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Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The pegmatites with the project areas include potential for Li-Cs-Ta (LCT) type pegmatites which may contain lithium mineralisation in the form of spodumene, petalite, and /or lepidolite which will need to be confirmed through systematic exploration program.
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> No drilling has been completed by Kula Gold Ltd Historical drilling will require QA/QC verification before publication
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No data aggregation methods were used. No metal equivalents were used.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • It is unknown at this stage whether mineralisation is to be encountered.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • See document for locality maps of the license and geological and geophysical maps of publicly available material and Kula Gold Ltd's geological interpretation.
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No grades have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No drilling has been undertaken by Kula Gold, historical drilling will require QA/QC verification before publication • All meaningful and material information is reported
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further work will be advised upon completion of the agreement.