

## Quarterly Activity Report for the period ended 30 June 2023

Date: 27 July 2023    ACN: 126 741 259    ASX Code: KGD

### Highlights:

- Mustang Lithium Prospect – Kirup – mapping, rock chip and soil programs confirm several pegmatites with strikes up to 1km and over 100m wide, drill planning in progress
- Cobra Lithium Prospect – Kirup – mapping and rock chip programs near anomalous lithium rock chip results up to 240.8ppm and 71.9ppm, 20km from Greenbushes has increased the strike to ~2km and greater than 300m wide
- Taliah, Sasha, Nadia Lithium Prospects – Southern Cross - Rock and soil sampling with numerous anomalous lithium, tantalum and beryllium pathfinder results advancing this project surprisingly quickly
- Rankin Dome REE & Lithium Project – proposed 1,000m of RC drilling in the September quarter by newly ASX listed JV partner Australian Critical Minerals Limited (ASX: ACM)

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity report for the period ended 30 June 2023.

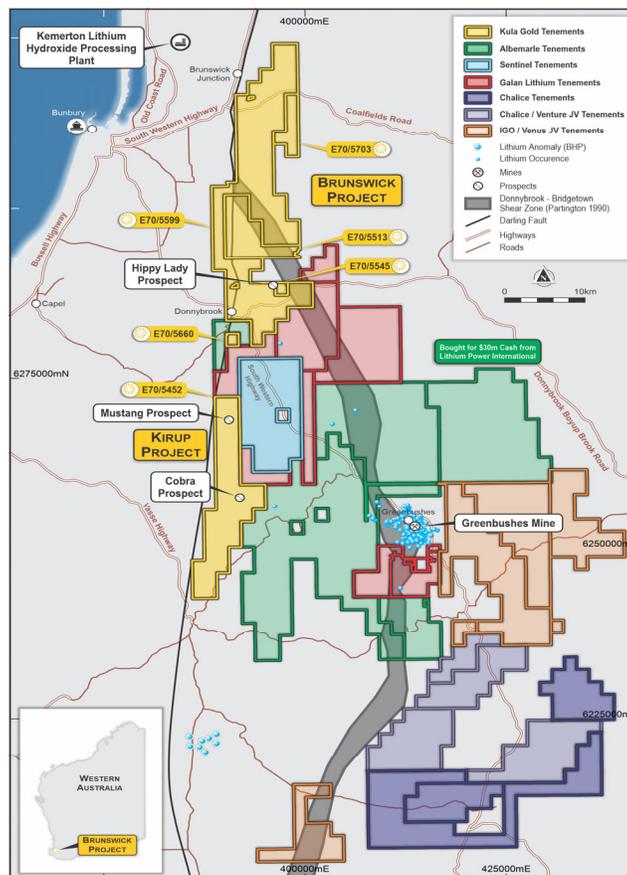


Figure 1 Kirup and Brunswick Projects with surrounding major companies.

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@KulaGold

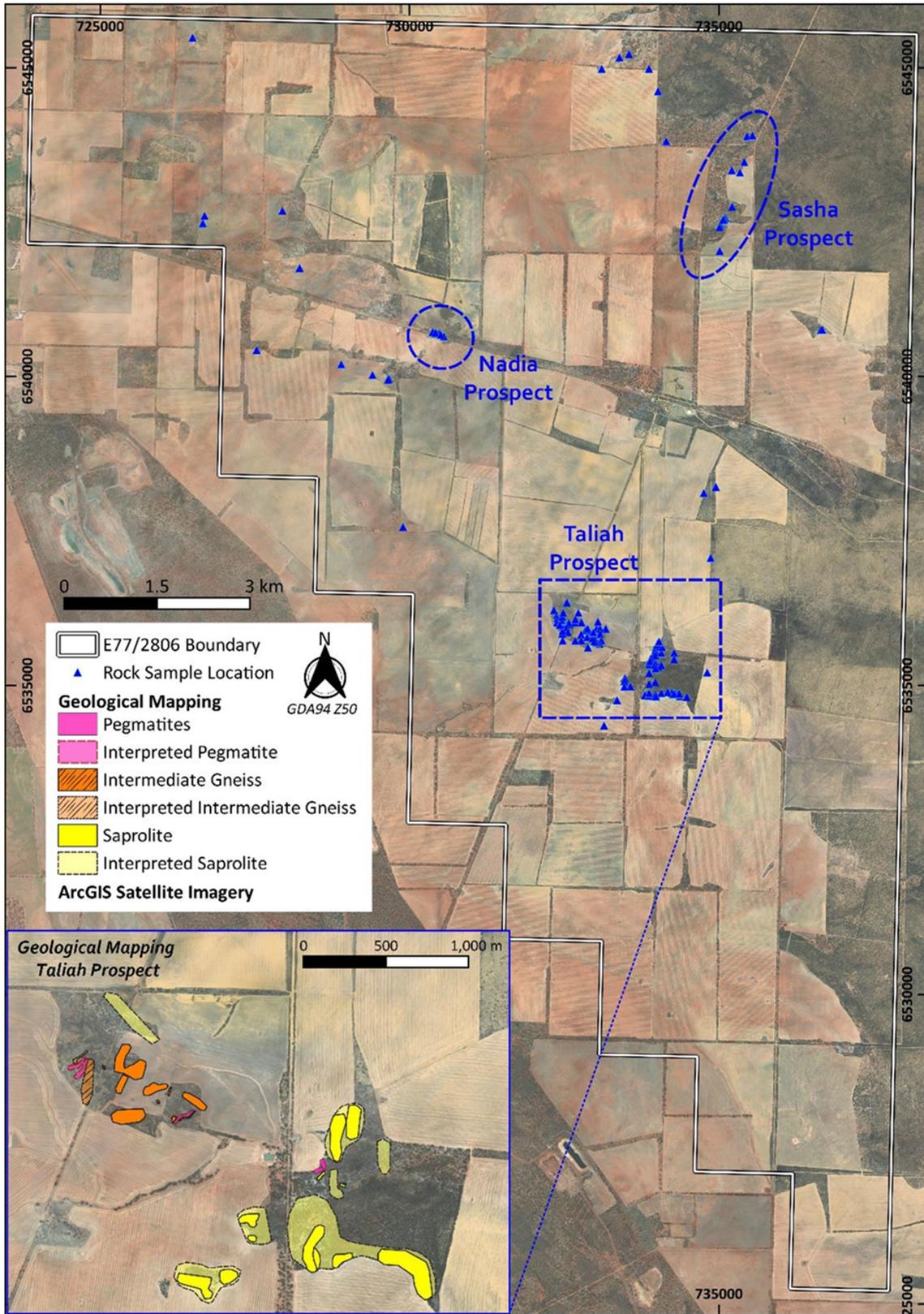


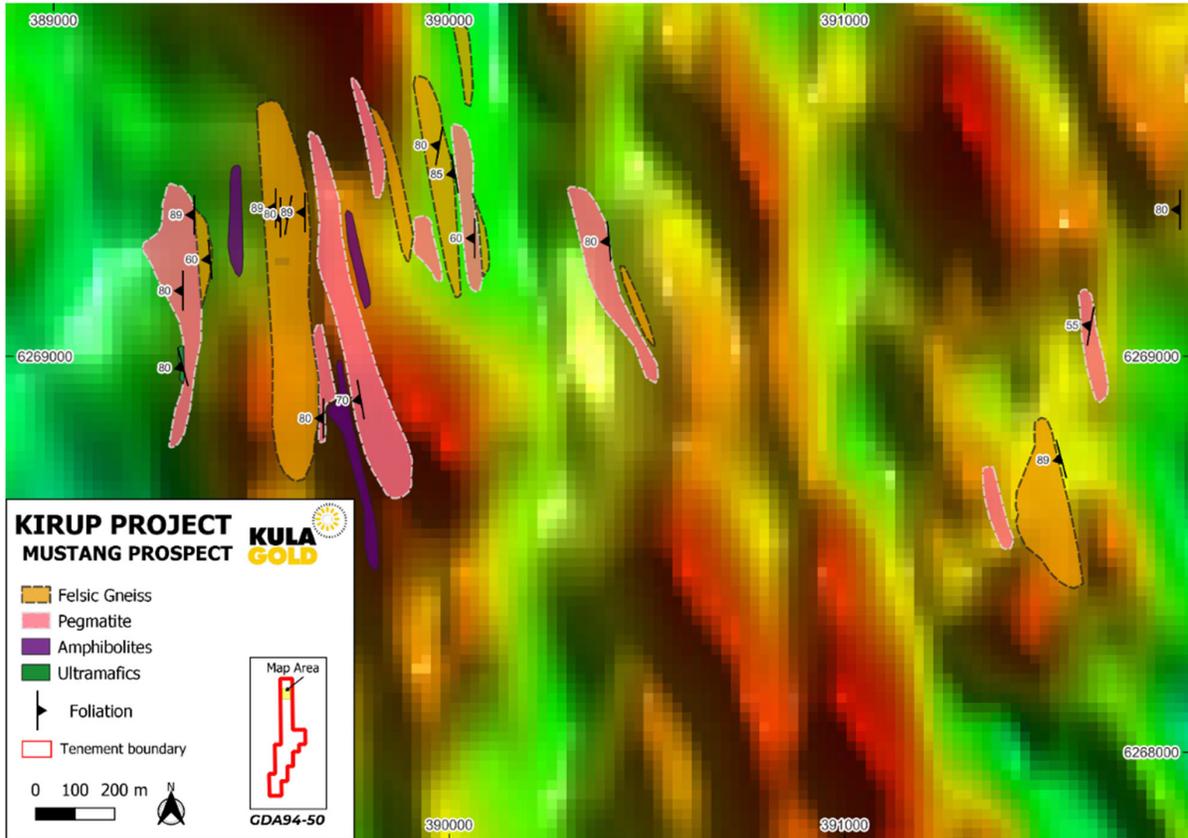
Figure 2: Southern Cross Project with Taliah, Sasha & Nadia Lithium Prospects.

**KIRUP LITHIUM PROJECT – (70% LCT mineralisation rights, 30% Sentinel Exploration Ltd)**

*Mustang Lithium Prospect*

The Mustang Lithium Prospect sits in the northern part of E70-5452, in an area of NNW trending magnetic lineaments, comprises a series of NNW striking pegmatitic bodies that occur within intercalated felsic gneiss and amphibolite sequences. Preliminary mapping has identified several pegmatite bodies with probable strike lengths approximately 1km and greater than 100m wide.

Reconnaissance mapping and rock chip sampling has detected bladed spodumene and pegmatite providing a walk-up drill target at the Mustang Lithium Prospect to test for LCT mineralisation below the weathered zone, estimated to be 15-50m as is evident at the nearby Greenbushes Mine.



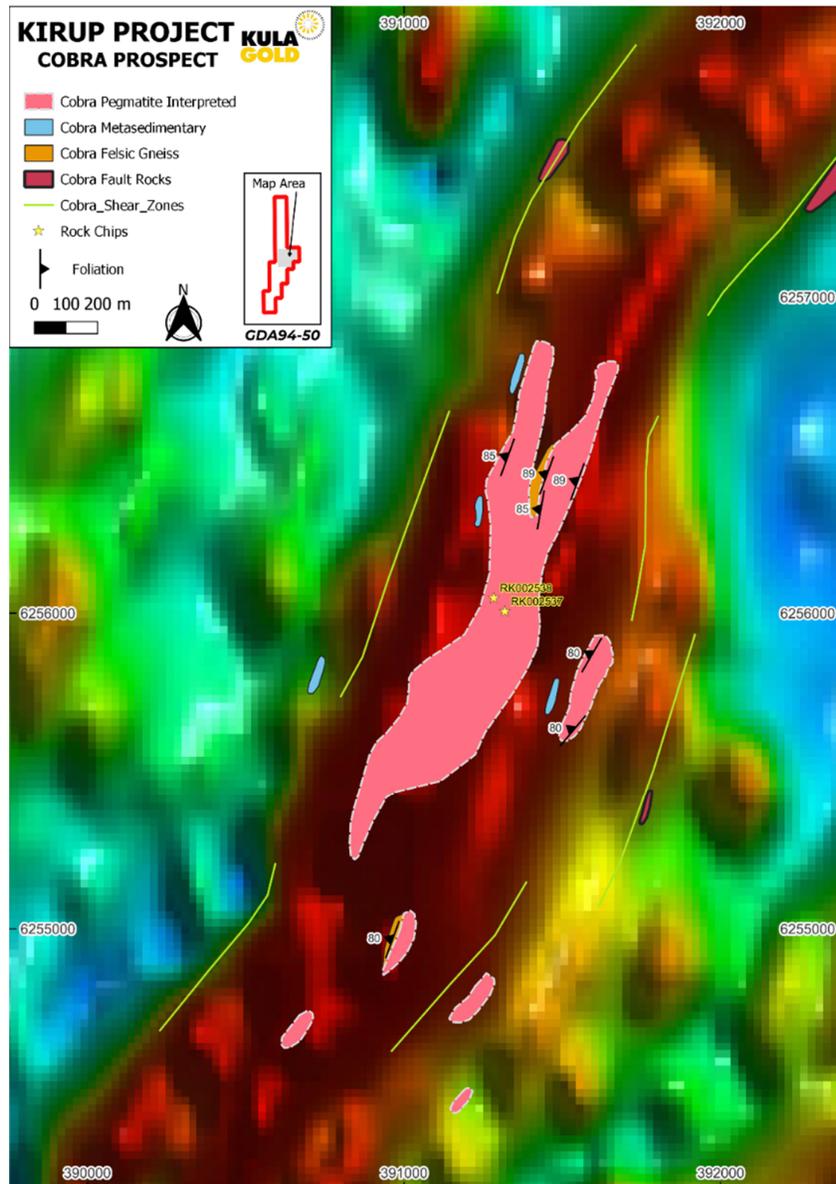
**Figure 3:** Mustang Lithium Prospect – Mapped location of interpreted pegmatite over regional magnetics.

## Cobra Lithium Prospect

The Cobra Lithium Prospect sits in the central part of E70-5452, on a regional NE magnetic lineament.

Pegmatites with high lithium content (**240.8ppm and 71.9ppm, being the highest anomalous analysis for Kula's exploration team**) containing muscovites, tourmalines and garnets (fractionated minerals) have been mapped out across a substantial contiguous prospect area of ~2km in strike length and >300m wide. Recent mapping continues to increase the dimensions of this prospect.

The mineralogy of pegmatites is composed of predominantly quartz, feldspar, tourmaline, muscovite, garnet, others (to be determined). Generally, poorly foliated and with a grainsize – locally very coarse, up to 10cm crystals of feldspars and muscovite crystals up to ~5cm.



**Figure 4:** Location of Cobra Lithium Prospect over regional TMI\_RTP magnetics.

## SOUTHERN CROSS PROJECT-100% - LITHIUM

### Taliah Lithium Prospect

The Company reported significant advancement of the Taliah Lithium Prospect during the quarter, from recent geochemistry, mapping, geophysics review taking this to a high order lithium drill target, approximately 90km north of the world class Mt Holland Lithium Mine.

Reconnaissance mapping and rock chip sampling detected anomalous readings of up to **214ppm lithium, 144ppm tantalum and 300ppm beryllium.**

A small concurrent UFF soil programme designed to test a potassium radiometric anomaly near the existing rock chip programme was completed with very encouraging results for a more extensive and expanding soil programme commencing in the September quarter.

### Sasha Lithium Prospect

The Sasha Lithium Prospect identified to the north of the Taliah Lithium Prospect covers 1.8km<sup>2</sup>, defined from rock chip sampling during the quarter. A preliminary reconnaissance mapping and rock chip program detected anomalous readings of up to **558ppm lithium, 28ppm tantalum and 18ppm beryllium.**

An extensive follow-up UFF soil programme has been completed with results due in the September quarter.

### Nadia Lithium Prospect

The Nadia Lithium Prospect is located to the northwest of the Taliah Lithium Prospect with dimensions of 600m x 100m from outcrop, however true extents of anomalism are yet to be defined as it extends under surface soil cover. Reconnaissance mapping and rock chip samples to date detected anomalous readings of up to 36ppm lithium, 199ppm tantalum and 41ppm beryllium.

An extensive follow-up UFF soil programme has been completed with results due in the September quarter.

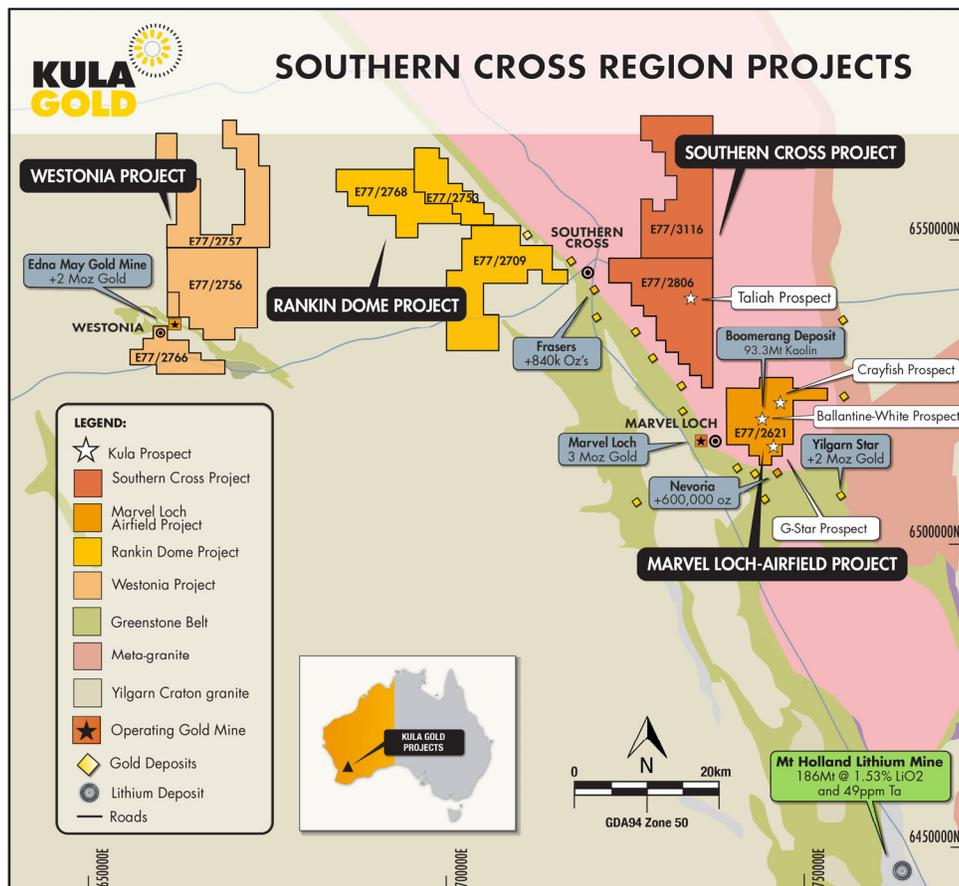


Figure 5: Kula's Southern Cross Lithium Project and location of Mt Holland Lithium Mine.

**BRUNSWICK PROJECT -100% - LITHIUM & GOLD**

During the quarter under review, the Company completed a RC drilling programme of 4 holes for 360m at the DBGM Prospect to test structural gold and lithium targets from surface pegmatites. Results received confirmed no significant lithium or gold results. BHP diamond drill hole core assayed 0.8m@ 6.8g/t gold from 39.8m.

**MARVEL LOCH – AIRFIELD PROJECT -100% - KAOLIN & GOLD**

The Company continued discussions during the quarter to advance development of the large Boomerang Kaolin Deposit of 93.3 million tonnes, near excellent infrastructure in Southern Cross WA.

Engineering studies continued for downstream processing on site to produce metakaolin products for the Green Construction Industry. Mineralogical/metallurgical test work by Sedgman has been completed confirming the suitability of the raw material for green cement as well as many uses such as paint, rubber and pesticide production.

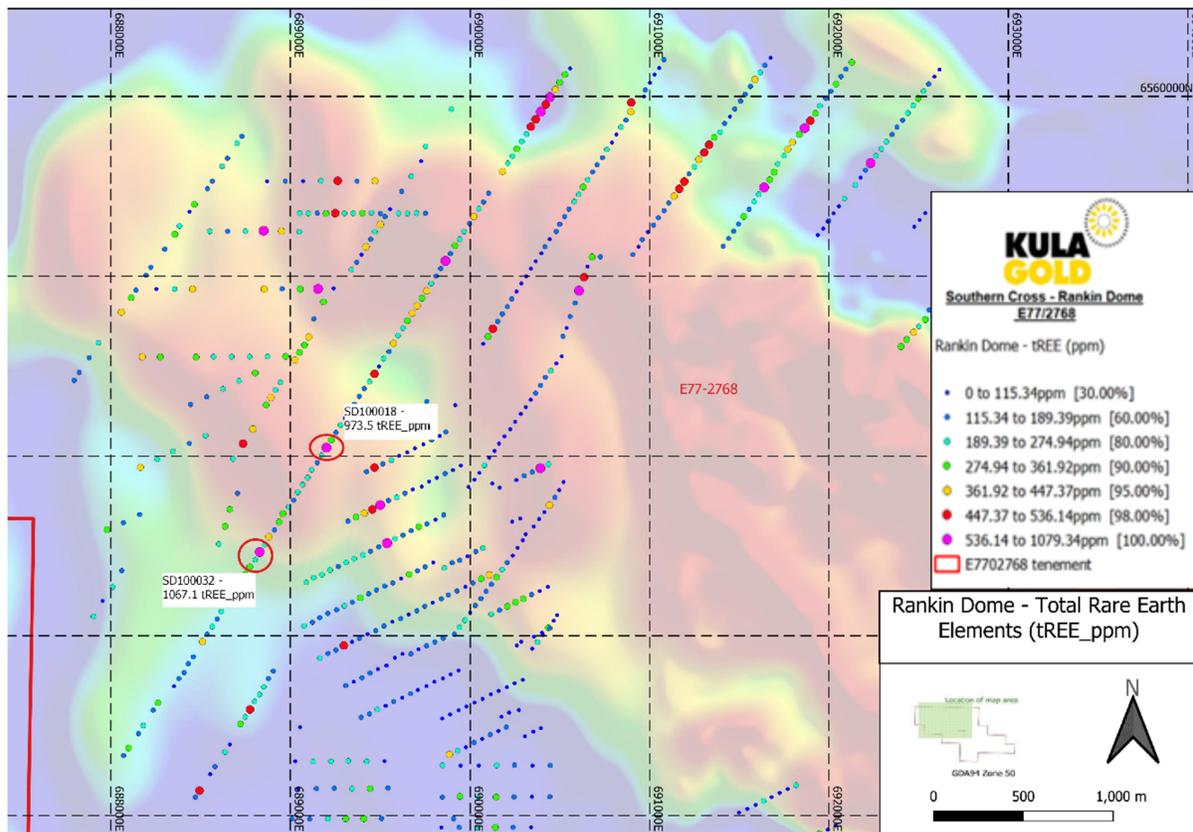
On 1 July 2023, the Company received a Research and Development Grant for **\$549k** in relation to the continued research and development of its Boomerang Green Kaolin deposit.

Discussions with potential acquirers and developers of the project continue with a view to monetising this asset.

**RANKIN DOME PROJECT – 100% (ACM earning 51%) – RARE EARTH ELEMENTS & LITHIUM**

The Company reported a significant advancement of the Rankin Dome Joint Venture following the successful listing of its joint venture partner, Australian Critical Minerals Limited (ASX: ACM) on the Australian Stock Exchange.

With existing geochemistry, mapping, geophysics already performed the project is ready for a proposed 1,000m of RC drilling in the September quarter.



**Figure 6: Rankin Dome Project with tREE over regional magnetics RTP.**

## **CORPORATE ACTIVITIES**

Payments to related parties during the quarter included in item 1, totalled \$30,412 which included director's fees, consulting fees, office and storage leases.

Payments to related parties during the quarter included in item 2, totalled \$130,000 being the final tranche of reimbursement of historical exploration expenditure incurred by Sentinel Exploration Limited, paid pursuant to the Agreement to acquire the Kirup Project.

### **By order of the Board**

#### **For Further Information, Contact:**

Keith Bowker - Company Secretary

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### **Competent Person Statement**

The information in this report that relates to geology, exploration and visual estimates is based on, and fairly represents, information and supporting documentation 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 and is a related party of the Company. 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). This market announcement is issued with the prior written consent of Mr. Dawson as to the form and context in which the exploration results, visual estimates and the supporting documentation are presented in the market announcement.

### **References:**

#### **KIRUP PROJECT**

**ASX Release – Historical BHP Diamond Core Reveals Lithium Potential – 2 May 2023.**

**ASX Release – Two New Lithium Prospects – Kirup Project – 29 May 2023.**

**ASX Release – Lithium Targets Increased Strike – Kirup Project – 8 June 2023.**

#### **BRUNSWICK PROJECT**

**ASX Release – Historical BHP Diamond Core Reveals Lithium Potential – 2 May 2023.**

**ASX Release – Amended Lithium & Gold Drilling Commenced – Brunswick Project – 22 May 2023.**

#### **SOUTHERN CROSS PROJECT**

**ASX Release – Historical BHP Diamond Core Reveals Lithium Potential – 2 May 2023.**

**ASX Release – Taliah Lithium Prospect – High Order Drill Target Defined – 15 June 2023.**

#### **RANKIN DOME PROJECT**

**ASX Release – Farm-in and Joint Venture Agreement – 8 August 2022.**

**ASX Release – Rankin Dome JV – Advance To Drill REE Targets – 28 June 2023.**

#### **BOOMERANG PROSPECT**

**ASX Release – Boomerang Kaolin Deposit – Maiden JORC Resources – 20 July 2022**

Kula confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

## 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/tantalum near the world class Greenbushes Lithium Mine and Mt Holland 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 <sup>1</sup>	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	3/09/2020	-	-	100%
		M77/1302	Application	-	-	-	-
		L77/0359	Application	-	-	-	-
	Southern Cross	E77/2806	Granted	19/07/2022	-	-	100%
E77/3116		Application	-	-	-	-	
Burracoppin <sup>2</sup>	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%
	Kirup <sup>3</sup>	E70/5452	Granted	4/01/2021	70%	-	70%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted	21/04/2020	-	-	100%
		E28/3029	Granted	10/03/2021	-	-	100%
Coolgardie Region	Boorabbin North	E15/1819	Granted	27/01/2022	-	-	100%

<sup>1</sup> On 9 August 2022, the Company entered into a binding Farm-In Agreement with Australian Critical Minerals Limited (ASX: ACM) in respect of the Company's non-core Rankin Dome Project comprising of three tenements being E77/2709, E77/2753 & E77/2768. ([Refer ASX Announcement, Farm-in & Joint Venture Agreement – Rankin Dome](#)). On 29 June 2023, ACM was admitted to the official list of the ASX and therefore has met all the conditions precedent in the binding Farm-In Agreement. At the end of the quarter under review, the Company held a 100% interest in the Rankin Dome Project tenements.

<sup>2</sup> The Company surrendered tenement E70/5693 during the quarter.

<sup>3</sup> The Company acquired 70% of the Lithium and related minerals.

## 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 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(423)	(856)
(b) development	-	-
(c) production	-	-
(d) staff costs	(230)	(422)
(e) administration and corporate costs	(101)	(186)
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	-	389
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(754)</b>	<b>(1,075)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(130)	(130)
(c) property, plant and equipment	-	(1)
(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 (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(130)</b>	<b>(131)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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>-</b>	<b>-</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	1,442	1,764
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(754)	(1,075)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(130)	(131)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## 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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>558</b>	<b>558</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	527	1,412
5.2	Call deposits	31	30
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>558</b>	<b>1,422</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	(30)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(130)

*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	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>-</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.		

## 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)	(754)
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)	(754)
8.4	Cash and cash equivalents at quarter end (item 4.6)	558
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	558
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.74
	<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: Yes	
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: No, however the Board has been able to demonstrate a record of securing funds as and when required and is confident that it will be able to continue to do so.	
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: Yes, on 1 July 2023 the Company received a Research and Development Grant for \$549k in relation to the continued research and development of its Boomerang Green Kaolin deposit. <b>As at the date of this report the Company held a cash balance of \$844k.</b> Based on the current net operating cash flows the current cash balance provides funding for 1.12 quarters. Therefore, the Company will continue to align operational activity and expenditure with cash reserves available to the Company.	
	<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: .....27 July 2023.....

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.