

Quarterly Activity Report for the period ended 31 March 2024

Date: 30 April 2024 ACN: 126 741 259 ASX Code: KGD

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity for the period ended 31 March 2024.

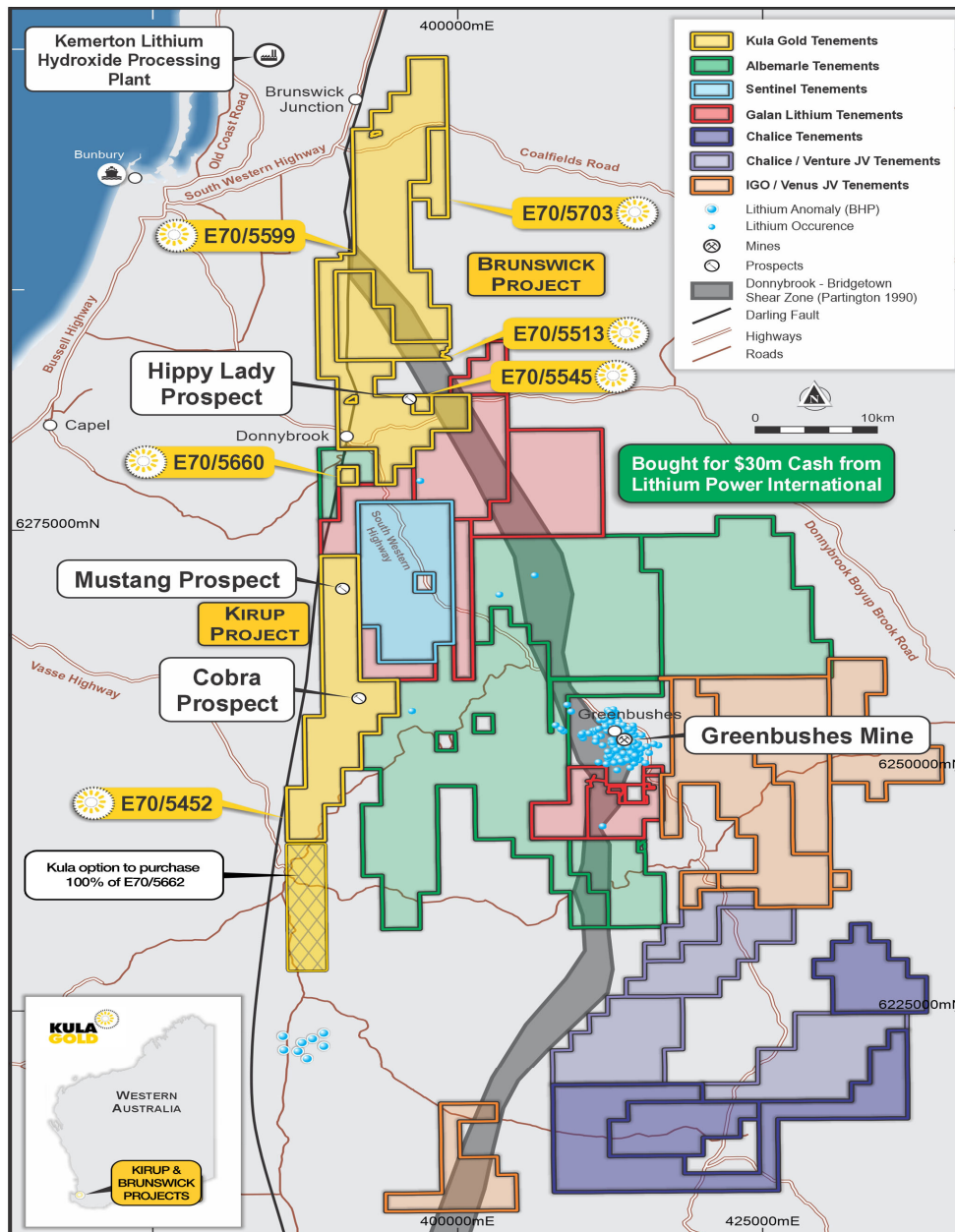


Figure 1: Kula’s Kirup & Brunswick Project’s, location of Greenbushes Mine & Albemarle’s Kemerton Lithium Hydroxide Plant.



MARVEL LOCH PROJECT – 100%

The Company reported that recent geochemical sampling and geophysical interpretation identified two new and advanced two other gold prospects at the Marvel Loch Project, near Southern Cross WA.

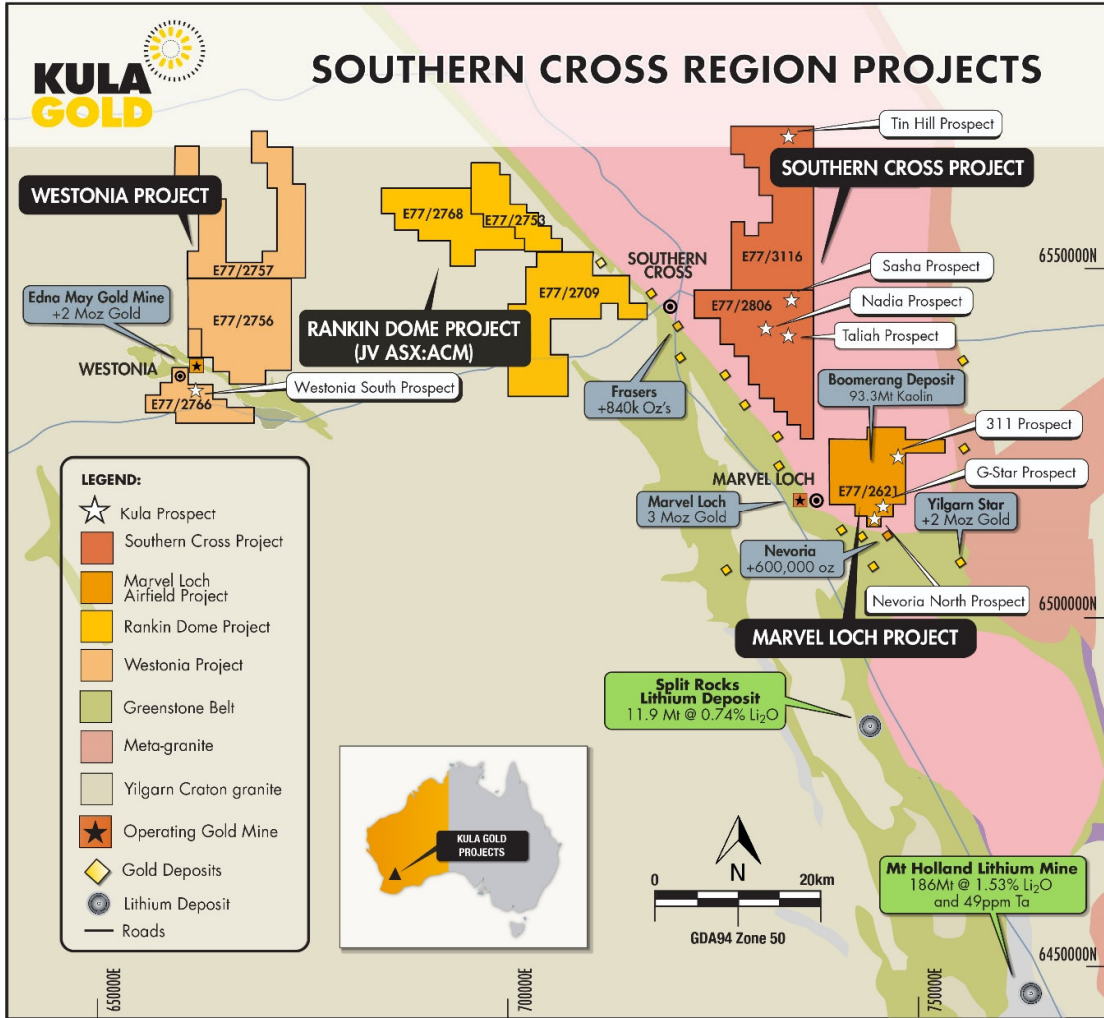


Figure 2: Kula’s Marvel Loch, Southern Cross and Westonia Projects, locations of regional gold mines and pre-existing infrastructure.

Boomerang Gold Prospect

The Company reported that geochemical sampling commenced, and satellite interpretation enhanced the Boomerang Gold Prospect at the Marvel Loch Project.

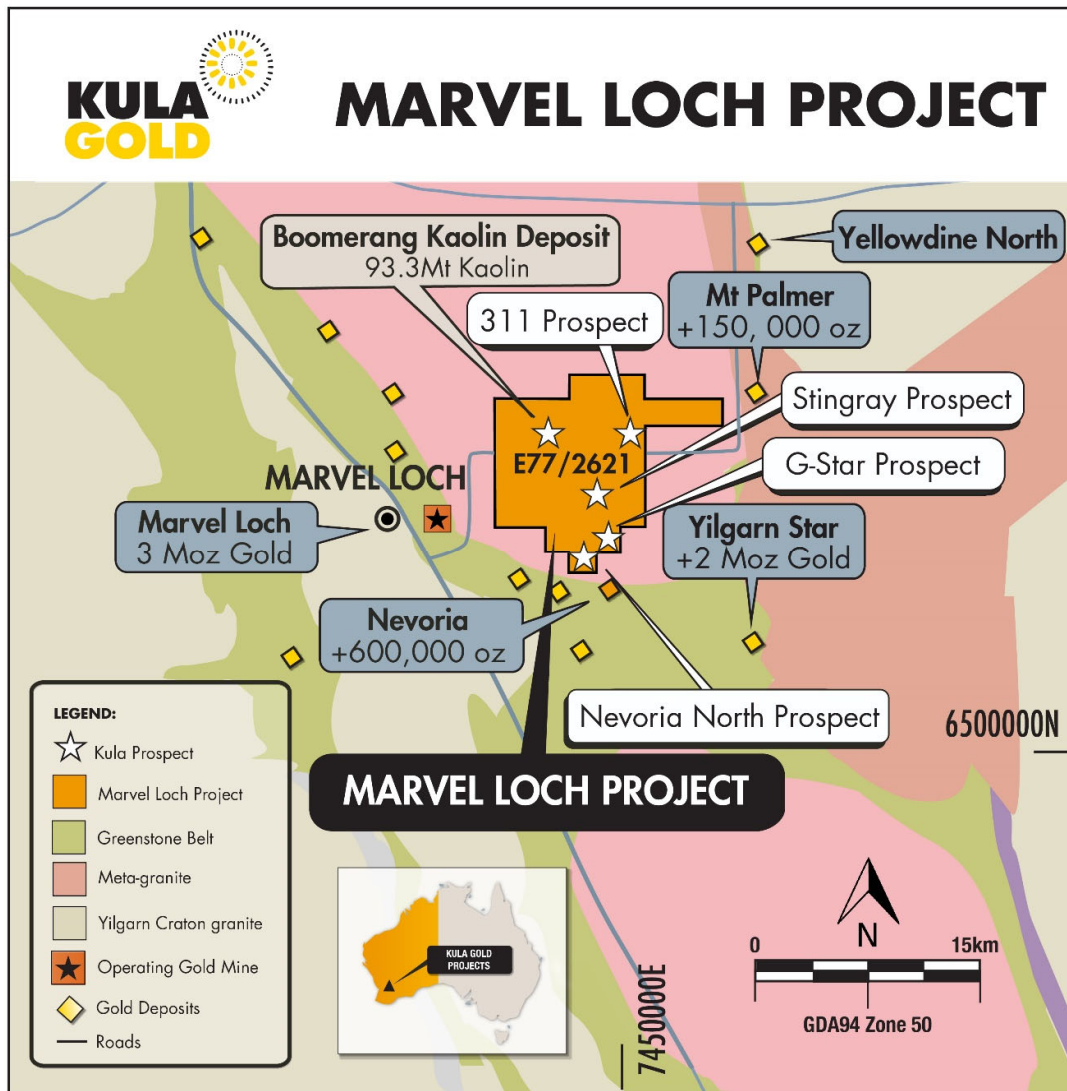


Figure 3: Kula's Marvel Loch Project.

The planned close spaced UFF soil sampling commenced on a 20m x 20m grid to locate the ideal drill targets.

RC drilling that occurred in November 2021 for the Kaolin resource drill out on a vertical 200m x 200m programme intersected an anomalous 1m at 2.6g/t gold from 54m in 21BMRC024, geophysics and satellite imagery interpretation work completed recently shows that a distinctive offset structure in the magnetics and now a satellite Sentinel -2 arsenopyrite anomaly (in Figure 4 below) is significant due to existing known gold mines in the region containing this mineral and that the gold intercept is on the edge of the key target zone. Of note is that the intercept also was at the amphibolite interface near the bottom of hole.

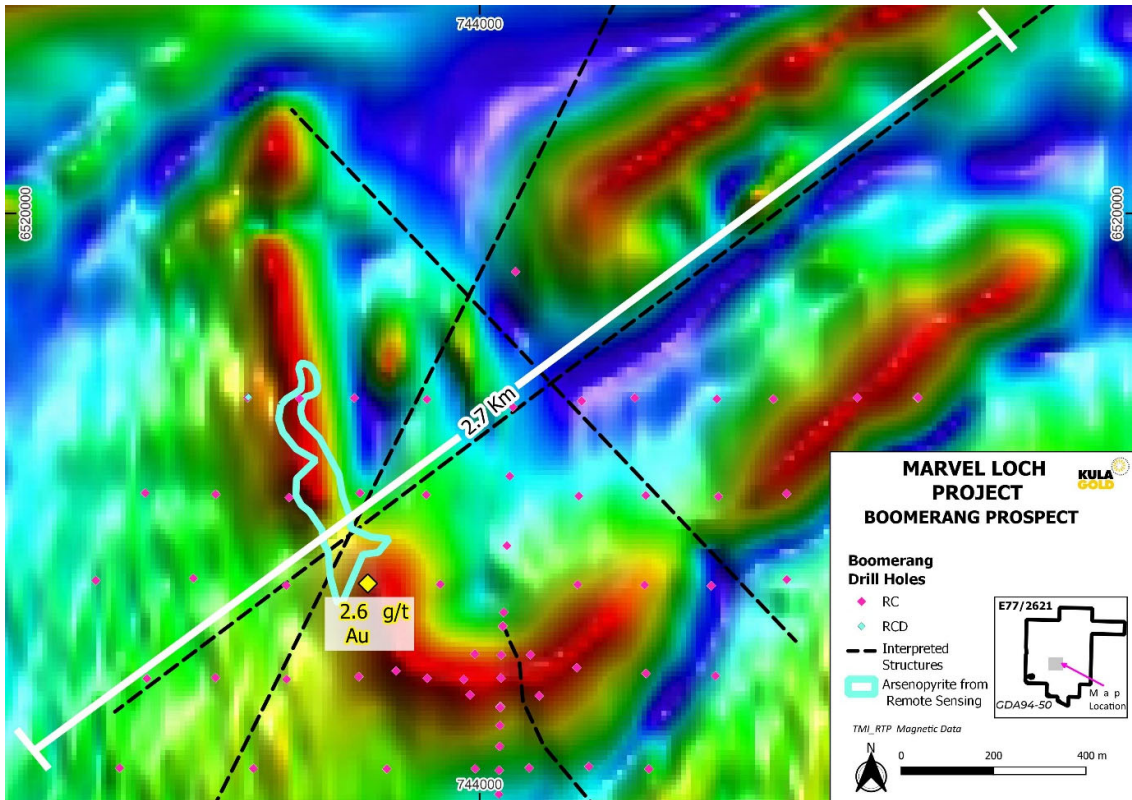


Figure 4: Boomerang Gold Prospect with gold intersection location and interpreted structures over magnetic TMI RTP and new satellite ASTER imagery arsenopyrite correlation anomaly.

(Refer ASX Announcement, dated 22 February 2024, Marvel Loch Exploration Update – Boomerang Gold).

Stingray Gold Prospect

The newly identified Stingray Gold Prospect was derived from a small low cost initial UFF soil sample programme over a circular magnetic feature shown in figure 5 below, outlining a coincident anomalous gold in magnetic structure around and through the Stingray Gold Prospect. The Kula team notes that the size is approximately 2-3km in length and will now infill this prospect with a more extensive UFF programme to refine drill targets. The strike lengths are over 1km and are one of the prime ingredients for a substantial gold deposit.

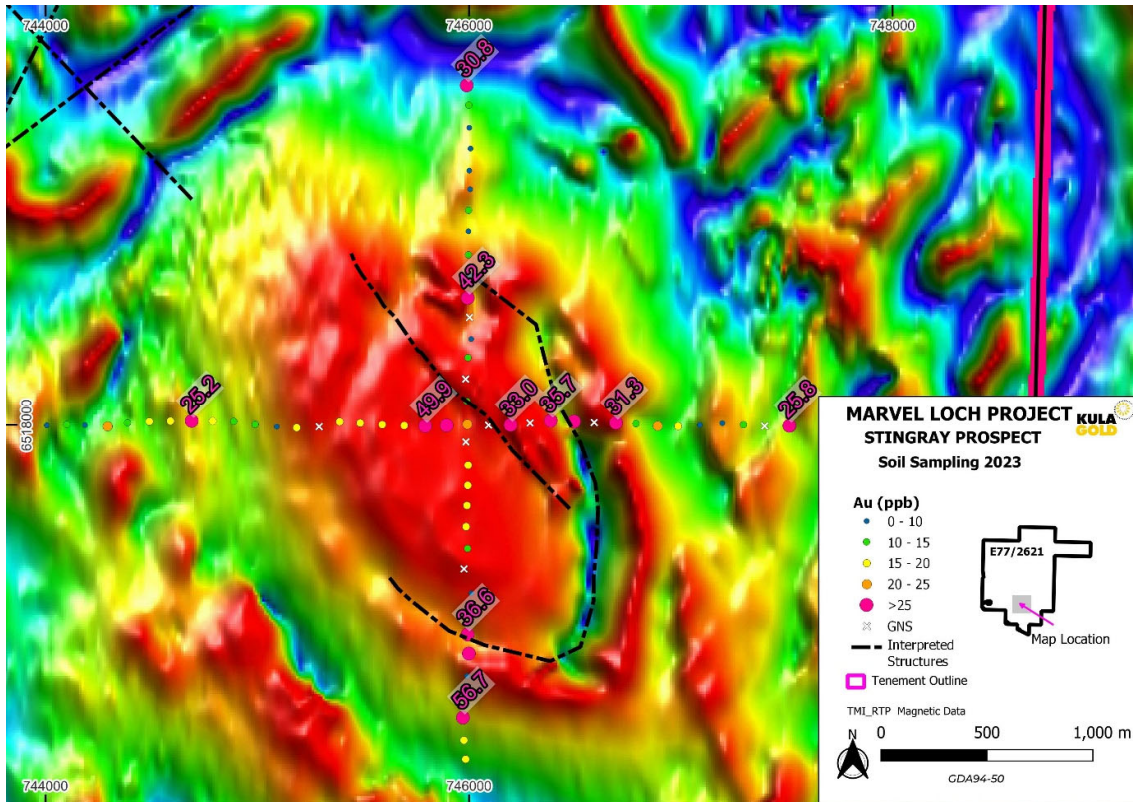


Figure 5: Stingray Gold Prospect with UFF gold readings and the interpreted structures over magnetic TMI RTP

Additional Gold Prospects

The Kula team is continuing to further develop existing gold prospects, 311 Prospect, Nevoria North Prospect and G-Star Prospect.

Results from geochemical assays (gold and multi-element) will be reported in due course.

(Refer ASX Announcement, dated 8 February 2024, Marvel Loch Exploration Update).

KIRUP PROJECT – E70/5452 - 70%

Cobra Lithium Prospect

During the quarter under review, the Company reported that the results of the recent RC drilling programme at the Cobra Lithium Prospect failed to intercept economic lithium mineralisation with the best result being in hole 23CPRC002 with a composite interval of 4m at 178ppm from 116m.

Gold, Base Metal & Non-LCT Mineral Rights

Agreement was reached during the quarter between the joint venture parties to include all the gold, base metal and non LCT mineral rights into the existing joint venture for a consideration of reimbursement of costs of \$10,000.

Cobra Prospect

The gold prospectivity of the Cobra Prospect has increased with the sampling of a rock outcrop in the near vicinity of the recent RC drill programme containing both vuggy and sugary quartz. Whilst drilling the Kula team identified a significant epithermal style gold target near the Cobra Prospect and will be the subject of further fieldwork.

Mustang Prospect

The initial RC drill programme was curtailed after one RC hole due to wet ground conditions in September 2023. The Company intends to plan another drill programme on more prospective pegmatite targets once further fieldwork is completed using vectors learned from the Cobra drilling.

The gold prospectivity has also increased at the Mustang Prospect with the sampling of a rock outcrop in the near vicinity of the initial RC drill programme with a sample KI000154 that returned a fire assay reading with 3.5g/t including a rock description containing vuggy quartz.

[\(Refer ASX Announcement, dated 1 February 2024, Kirup Exploration Update\).](#)

MARVEL LOCH – E77/2621 - 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.

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

CORPORATE ACTIVITIES

Placement

On 29 February 2024, the Company completed a placement to professional and sophisticated investors to raise \$400,000, including \$86,000 to directors, subject to shareholder approval. Kula is now funded to commence a low-cost, high value add programme at the Marvel Loch Project, in the historically rich Southern Cross Goldfields region. The placement was for 50,000,000 fully paid ordinary shares at an issue price of \$0.008.

[\(Refer ASX Announcement, dated 28 February 2024, Capital Raise To Commence Work At The Marvel Loch Project\).](#)

On 22 March 2024, the Company announced that it had entered into an At-the-Market Subscription Agreement (“ATM”) with Acuity Capital. The ATM provides the Company with up to \$1,000,000 of standby equity capital over the period to 31 January 2029.

As security for the ATM, the Company issued 24,000,000 fully paid ordinary shares to Acuity Capital at nil consideration.

(Refer ASX Announcement, dated 22 March 2024, Acuity Capital Facility & Cleansing Notice).

Payments to related parties during the quarter included in item 1, totalled \$63,903 which included director’s fees, consulting fees and office leases.

By order of the Board

For Further Information, Contact:

Keith Bowker - Company Secretary

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www.kulagold.com.au

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 – Kirup Exploration Update – 1 February 2024.

MARVEL LOCH PROJECT

ASX Release – Marvel Loch Exploration Update – 8 February 2024.

ASX Release – Marvel Loch Exploration Update – Boomerang Gold – 22 February 2024.

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/Granted during the Qtr | Interest Disposed/Surrendered of During the Qtr | Interest At End of Qtr |
|-----------------------|--------------------------|-------------|-------------|------------|--|---|------------------------|
| Southern Cross Region | Rankin Dome ¹ | 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 | - | - | - | - | |
| E77/3201 | | Application | - | - | - | - | |
| 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 | E70/5452 | Granted | 4/01/2021 | - | - | 70% |
| | | E70/6603 | Granted | 21/03/2024 | 100% | - | 100% |
| Kurnalpi Region | Lake Rebecca | E28/2942 | Granted | 21/04/2020 | - | - | 100% |
| | | E28/3029 | Granted | 10/03/2021 | - | - | 100% |
| Paynes Find | Ninghan | E59/2883 | Application | - | - | - | - |
| Norseman | Norseman | E63 | Application | - | - | - | - |
| Coolgardie Region | Boorabbin North | E15/1819 | Surrendered | 27/01/2022 | - | 100% | - |

¹ 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.

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")

31 MARCH 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (368) | (368) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (232) | (232) |
| (e) administration and corporate costs | (62) | (62) |
| 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 (stamp duty on acquisition of Kirup) | - | - |
| 1.9 Net cash from / (used in) operating activities | (662) | (662) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 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 | - | - |

| | | |
|---|------------|------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | 363 | 363 |
| 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 (share issue costs) | (4) | (4) |
| 3.10 Net cash from / (used in) financing activities | 359 | 359 |

| | | |
|---|-------|-------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 393 | 393 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (662) | (662) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 359 | 359 |

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 (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 90 | 90 |

| 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 | 59 | 362 |
| 5.2 | Call deposits | 31 | 31 |
| 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) | 90 | 393 |

| 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 | (64) |
| 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) | (662) |
| 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) | (662) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 90 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 90 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.13 |
| <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: Yes, the Board is reviewing alternatives. The Company 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, the Company will continue to align operational activity and expenditure with cash reserves available to the Company. | |
| <p>On 28 February 2024, the Company completed a Placement to raise \$400,000 which included the participation of directors to raise \$86,000, subject to shareholder approval.</p> <p>On 22 March 2024, the Company entered into an At-the-Market Subscription Agreement ("ATM") with Acuity Capital. The ATM provides the Company with up to \$1,000,000 of standby equity capital over the period to 31 January 2029.</p> | |
| <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:30 April 2024.....

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.