



Renounceable Rights Issue

Kula Gold Limited (ASX: KGD) ("**the Company**") is pleased to announce a Renounceable Entitlement Issue to raise up to \$626,100. The Offer is one (1) share for every eight (8) shares held by those Shareholders registered at the Record Date, 29 March 2017, at an issue price of \$0.015 per share, a 32.4% discount to the 30 day volume weighted average price.

The Offer is partially underwritten in the sum of \$300,000 by CPS Capital Group Pty Ltd (CPS).

Each of the directors of the company plan to exercise their rights, and Mr M Stowell, a Non-executive Director of the Company, is also a sub-underwriter to CPS for part of the issue to the amount of \$100,000 including his and related entities entitlement.

The funds will be used for working capital, noting that the bulk of the expenditure advancing the company's Woodlark Island Gold project are being funded at this time by Kula's JV partner Geopacific Resources Limited (ASX:GPR).

Further details of the issue and timetable will be in a prospectus to be issued in due course.



Background on the Woodlark Island Gold Project, PNG

Kula Gold Limited has advanced its Woodlark Island Gold Project to the point where it is permitted and ready to progress to the next stage. The Project is located 600 kilometres east of Port Moresby in the Milne Bay Province, Papua New Guinea.

Kula's Joint Venture Partner Geopacific Resources Limited is funding the next \$8 million expenditure to advance the gold reserves to a target of 1.2 million ounces of gold to earn additional equity in the Project.

The Project has excellent upside potential through the conversion of Inferred Resources and numerous nearby exploration targets within a short distance of the proposed process plant location.

The Resource Estimates for the Kulumadau and Busai Deposits were re reported and released on 31 January 2017 in accordance with JORC 2012. The estimates for Munasi and Woodlark King have not been re reported in accordance with JORC 2012, as there has been no additional work within these deposits since the previous estimate.

Kula Gold's Feasibility Study, based on a JORC 2004 Ore Reserve of 766,000 ounces and a gold price of US\$1200/ounce, defined a Project with a mine life of nine years, three open pit mining areas and a 1.8Mtpa gravity and carbon in leach plant (KGD ASX release 27 September 2012).

The Company's 95% owned subsidiary, Woodlark Mining Limited, has been granted the Environment Permit and the Mining Lease for the Project.

For further information, contact:

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Directors and Management

David Frecker	Chairman
Louis Rozman	Non-executive director
Mark Stowell	Non-executive director
Garry Perotti	Chief Financial Officer

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