

ASX Announcement & Media Release

Receipt of Unsolicited Intention to make a Takeover Offer

The Board of Kula Gold Limited (ASX:KGD, **Kula**) refers to the announcement made today (the **Announcement**) by Geopacific Resources Limited (ASX:GPR, **Geopacific**) that Geopacific intends to make an off-market takeover offer to acquire all of the ordinary shares in Kula (the **Offer**).

Directors of Kula are considering their response to the Announcement. Kula shareholders are advised to **TAKE NO ACTION** in relation to the Announcement or any document received from Geopacific in relation to the proposed Offer until they receive Kula directors' formal recommendation.

The Kula Board will not be in a position to make a recommendation to shareholders until it has more information and has received the formal takeover offer and the accompanying statement. The Kula Board is mindful that Geopacific is currently engaged in the second tranche of its work on the Woodlark Island Gold Project under its Farm-in Agreement with Kula, including a drilling program to evaluate and extend the Project's mineral resources. The results of this work are being announced progressively. Until this work is completed, the Project remains 95% owned by Kula. In these circumstances, the Board views the proposed Offer as opportunistic and undervalued.

The announcement by Geopacific does not affect Kula's current 1 for 8 rights offer of shares to shareholders at an issue price of 1.5 cents per share (the **Rights Issue**). All eligible shareholders should have received the Prospectus and their Entitlement and Acceptance Form relating to it. The underwriter of part of the Rights Issue (up to \$300,000), CPS Capital Group Pty Ltd, has confirmed its commitment to the underwriting and its strong support for the Rights Issue following the proposed Offer from Geopacific. Geopacific's Announcement clearly states that its Offer will extend to all shares subscribed for under Kula's Rights Issue. Kula's Board continues to encourage all eligible shareholders to take up the shares offered to them under the Rights Issue on or before the Closing Date (**13 April 2017**).

For further information please contact:

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