ASX Code: KGD
14 July 2017

ASX Announcement & Media Release

CONTINUED DRILLING SUCCESS AT WOODLARK

HIGHLIGHTS

- **Depth extensions confirmed below pit designs**
- **Broad zones of mineralisation at Busai and Kulumadau**
- **Continuity of mineralisation confirmed**
- **Focused drilling assessing depth extensions at Kulumadau and Busai confirms broad gold mineralisation below 2012 pit designs**

Kulumadau:

- **18m @ 10.29g/t gold from 231m**
- **22m @ 2.78g/t gold from 53m**
- **3m @ 63.44g/t gold from 212m**

Busai:

- **40m @ 2.04g/t gold from 121m**
- **18m @5.55g/t gold from 178m**

Kula Gold Limited (ASX:KGD) ("**Kula**" or "**the Company**") is pleased to provide additional assay results from development drilling at the Kulumadau deposit at the Woodlark Gold Project (Woodlark) in joint venture with Geopacific Resources (ASX:GPR).

Drilling around the Kulumadau West deposit targeted depth extensions of the mineralisation with success. Results returned strong zones of high-grade mineralisation within 100 metres of the base of the 2012 pit design, increasing certainty around inferred mineralisation identified in historic drilling.

Drilling to the north of the Kulumadau East deposit continued to return broad zones of near-surface mineralisation, which remains open along strike and at depth.

Ongoing development drilling at Busai has confirmed the presence of broad gold intercepts below the Busai Main deposit. These results complement previously released intersections and confirm the continuation of gold mineralisation below the 2012 pit design.

Depth extensions at the Kulumadau West deposit

Kulumadau West is the main area of the Kulumadau deposit, characterised by broad, strong zones of gold mineralisation. This mineralisation is generally associated with cataclaisite breccias and related clay alterations.

Recent drilling at Kulumadau West aimed to define depth extensions to the mineralisation and to improve the confidence in inferred resources below the base of the 2012 pit design. Results have confirmed and extended the mineralisation which remains open at depth (Figure 1 and Figure 2). The depth of the 2012 pit design varies between 130 to 150 metres, with the recent results within less than 100 metres of the proposed pit floor.

The high-grade nature of the Kulumadau West deposit's central zone can clearly be seen in the longitudinal section (Figure 2) with impressive historical results including:

- **11m @ 36.3 g/t gold**
- **13m @ 32.42 g/t gold**
- **36m @12.52 g/t gold**
- **48m @ 10.39 g/t gold**
- **52m @ 4.72 g/t gold**

Drillhole KU17DD011, drilled below the proposed 2012 pit outline, intersected **18m @ 10.29g/t gold from 231m**, confirming the high-grade, down-dip continuity of Kulumadau West mineralisation.

New results are marked with the yellow labels. Mineralisation remains open at depth.

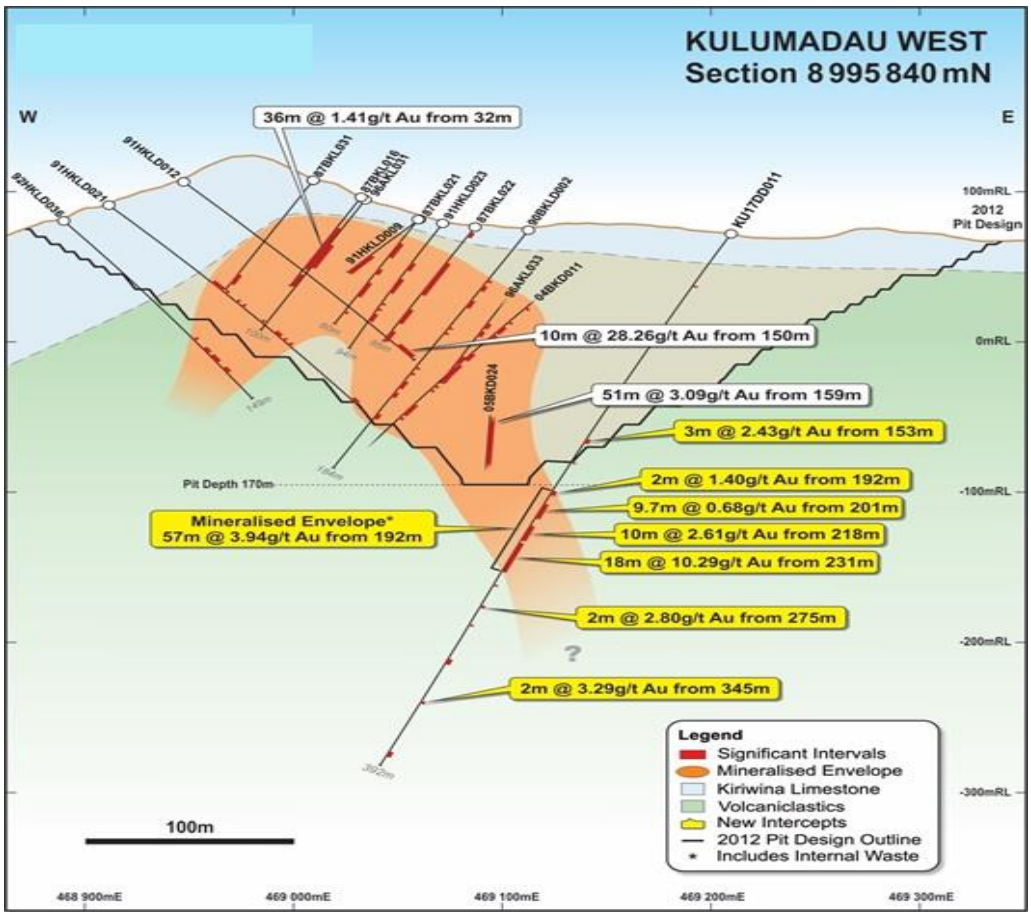

Figure 1: Cross section of the Kulumadau West deposit showing new, significant results below the pit design with mineralisation open at depth. (Geological interpretation from GPR)

Kulumadau East

Previous results to the north of the Kulumadau East deposit were announced on 21 March and 15 June 2017 with new results demonstrating continuity. New significant intercepts include:

- 22m @ 2.8 g/t gold from 53m
- 30m @2.08 g/t gold from 28m

The grades and style of mineralisation are consistent with the Kulumadau East deposit. Mineralisation remains open along strike and at depth, with further drilling underway to test the depth and strike potential of the mineralisation.

Mineralisation in this area falls outside the current Resource and Reserve inventory and is approximately 100m north-east of the 2012 proposed East Kulumadau pit boundary as seen in the drillhole location plan Figure 3.

Mineralisation at Kulumadau East is "blind", covered at surface by a thin layer of soft coronus material (limestone). The coronus covers a large portion of the island and has hindered exploration in the past. Modern geophysical techniques present a significant opportunity to unlock the exploration potential at Woodlark by targeting under the coronus, similar to the Kulumadau East mineralisation.

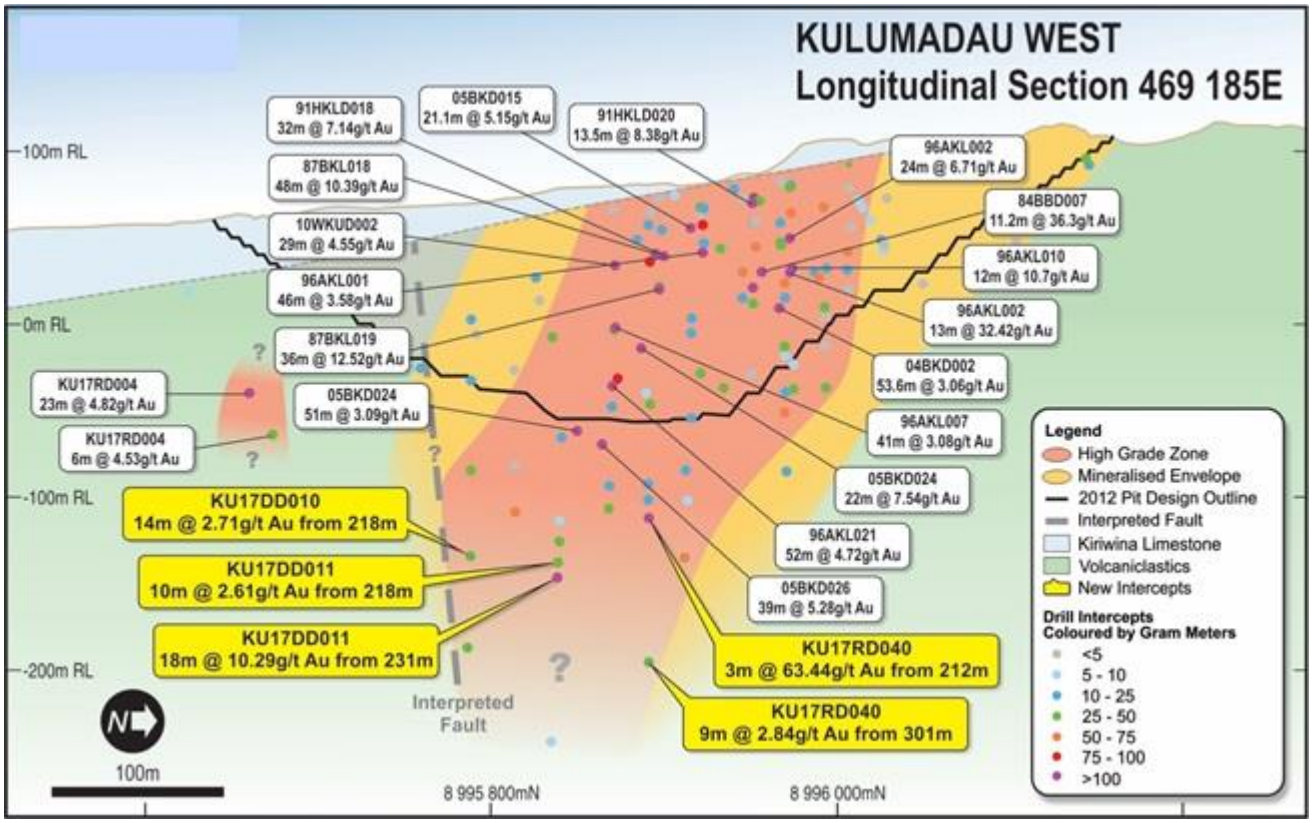

Figure 2: Longitudinal section showing the high-grade core of the deposit with high-grade zone continuing below the pit design (yellow labels), which remains open at the Kulumadau West deposit.
(Geological interpretation from GPR)

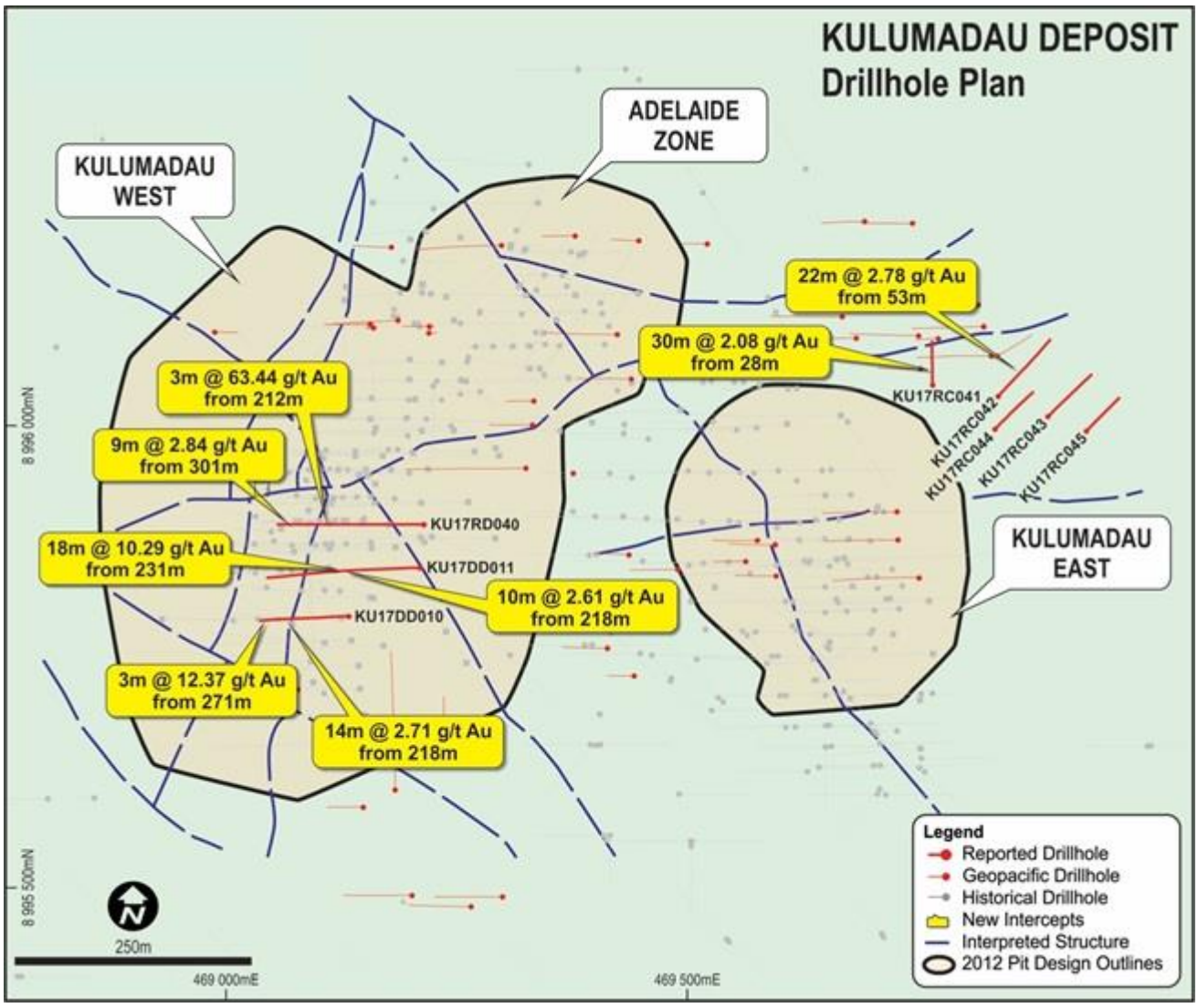

Figure 3: Drillhole location plan Kulumadau West deposit showing current significant intercepts and proposed 2012 Pit Outlines.

Drilling and results at the Busai deposit

Recent drilling was designed to test the potential for strike and down dip extensions of gold mineralisation at Busai, focusing primarily on the Busai Main portion of the deposit. Interpretation of earlier drilling indicated potential for the mineralisation to continue at depth. These drill results confirm the continuity of mineralisation up to 70 metres below the current pit design.

Geological logging has identified a correlation between higher gold grades and complex, multiple phases of breccia development.

Gold grades are higher where brecciation is accompanied by cherty haematite, haematite alteration, quartz-carbonate veining and particularly the presence of minor base metal sulphides such as galena, sphalerite and chalcopyrite. Modelling of the breccias can then be used to predict the orientation of the gold zones.

Modelling has indicated a strong possibility for the mineralised system to persist down dip as shown in Figure 4 below.

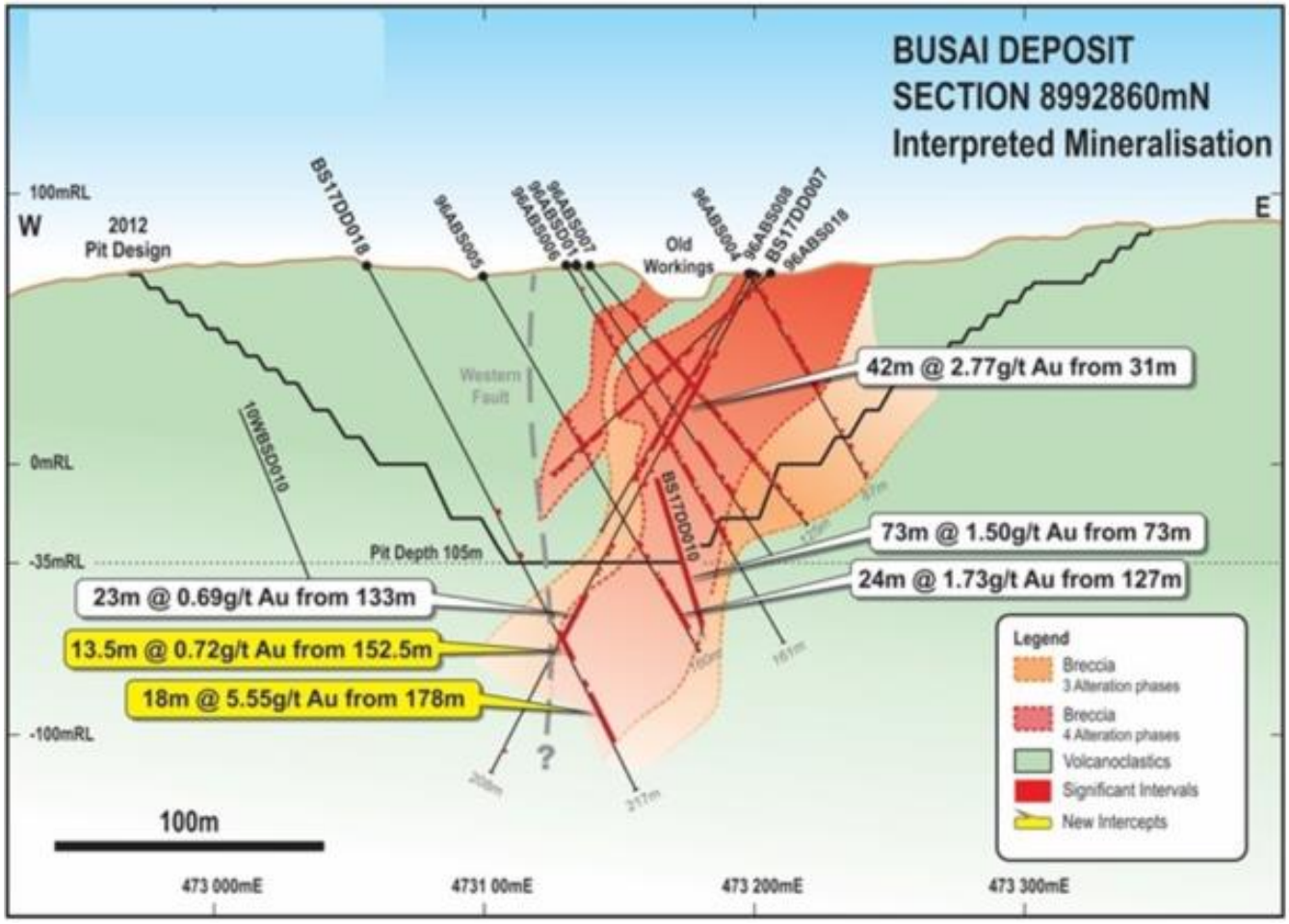

Figure 4: Cross section showing selected results and the alteration phases in the breccia units.
(Geological interpretation from GPR)

Diamond hole BS17DD018 was drilled to test for continuity of complex mineralised breccias down dip from previously announced gold mineralisation intersected in BS17DD007. The hole successfully intersected strongly mineralised breccia at predicted depths.

Recent diamond drilling beneath the Busai Main deposit confirms the down-dip continuity of gold mineralisation and remains open down dip. Figure 5 represents an oblique section of drilling and shows both down-dip and down-plunge potential for additional mineralisation.

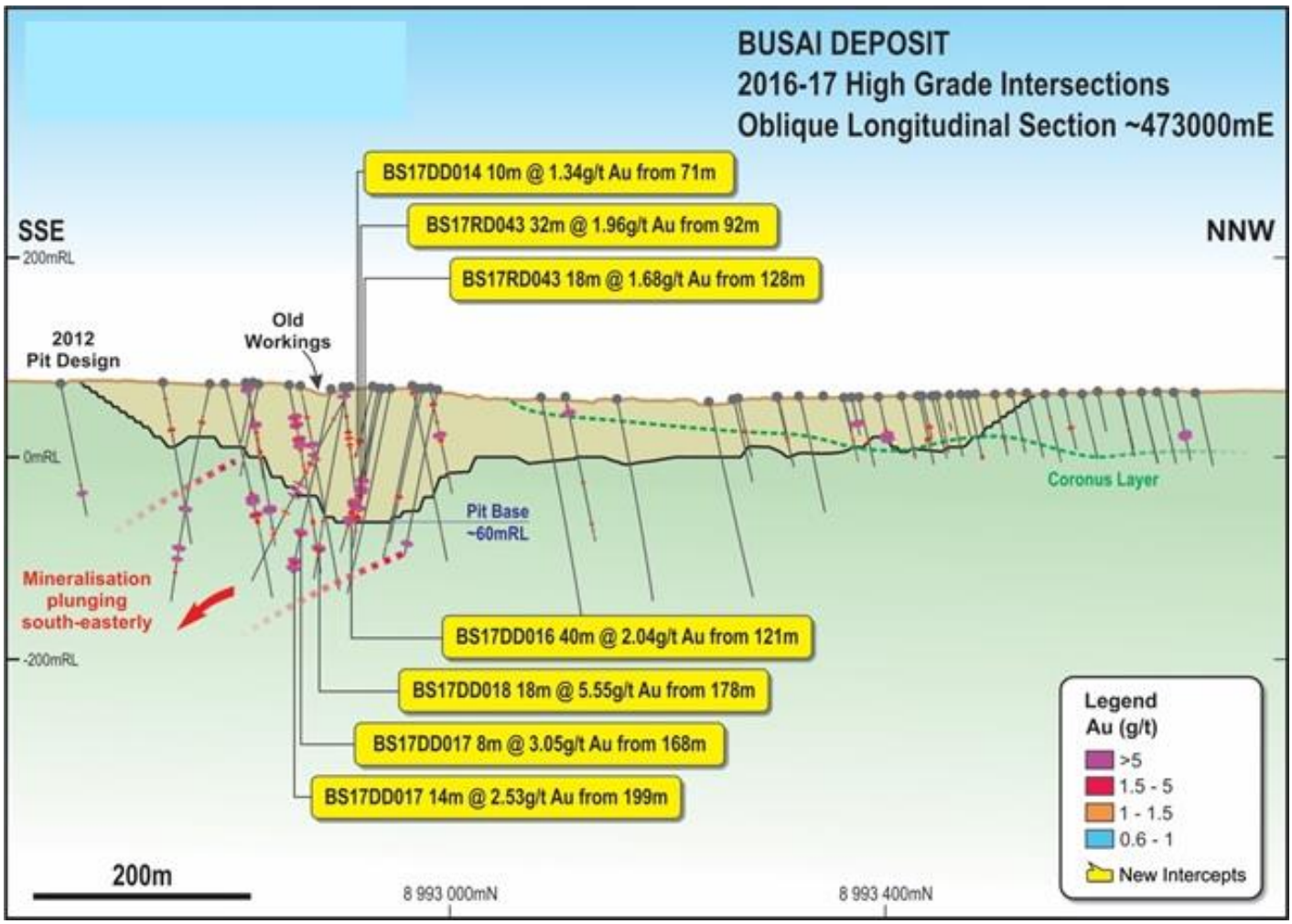

Figure 5: Oblique longitudinal section of the Busai deposit *(results for historical drillholes are not included for simplicity)*

Shallow RC drilling in the northern portion of Busai Main, designed to test for possible extensions of gold deposited at the unconformity between underlying volcaniclastics and much younger coronus marine sediment cover, continued to define relatively thin zones of gold mineralisation.

The location of recent drillholes is indicated on the drillhole location plan in Figure 6.

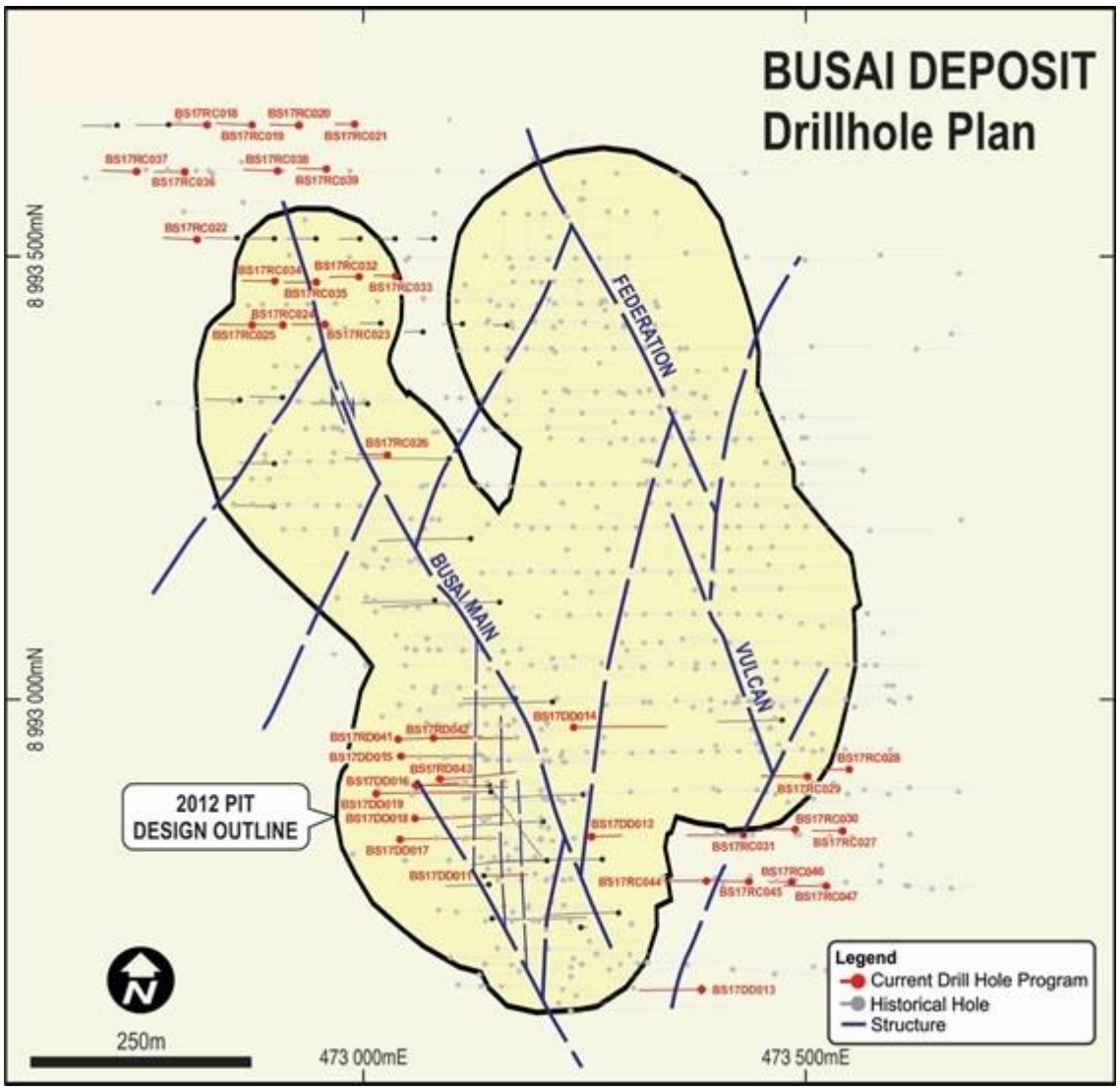

Figure 6: Drillhole location plan at the Busai deposit with proposed 2012 Pit Outline.

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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.

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The information in this report that relates to geology and exploration is based on information compiled by Mr Paul Dunbar, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Dunbar is employed by Dunbar Resource Management, a Geology and Exploration Management consultancy, who has been engaged by Kula Gold. Mr. Dunbar 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. Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information relating to the 2012 JORC Resource estimates was initially released in the 31 January 2017 ASX release and is available on the company's website. The company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context of the resource estimates have not been materially modified from the original ASX release.

Appendix A: Table 1. Significant Intersections at the Kulumadau deposit

Hole	Easting	Northing	RL	Dip	Azim	Depth (m)	Depth From	Intercept	Comments
KU17DD010	469136	8995791	84	-69	270	310.2	70	**8.0m @ 1.52g/t Au**	Kulumadau West
							102	2m @ 0.51g/t Au	
							118	2m @ 1.84 g/t Au	
							149	1.0m @ 1.47g/t Au	
							153	**12.0m @ 1.04g/t Au**	
							178	**1m @ 6.24 g/t Au**	
							184	**2m @ 1.01 g/t Au**	
							189	**3m @ 3.26 g/t Au**	
							205	1.0m @ 0.56g/t Au	
							209	1.0m @ 0.60g/t Au	
							211	4.0m @ 0.67g/t Au	
							218	**14.0m @ 2.71g/t Au**	Including 2m @ 9.8 g/t Au from 223m
							264	4.0m @ 0.88g/t Au	
							271	**3.0m @ 12.37g/t Au**	
							295	1.0m @ 3.73g/t Au	
KU17DD011	469205	8995840	72	-60	269	392.3	153	**3m @ 2.43 g/t Au**	Kulumadau West
							170	1m @ 0.9 g/t Au	
							192	2.0m @ 1.40g/t Au	
							201	9.7m @ 0.68g/t Au	
							218	**10m @ 2.61 g/t Au**	
							231	**18.0m @ 10.29g/t Au**	Including 7m @ 24.28 g/t Au from 236m
							254	1.0m @ 0.57g/t Au	
							260	1.0m @ 1.80g/t Au	
							275	2.0m @ 2.80g/t Au	
							289	1.0m @ 0.60g/t Au	
							313	5.0m @ 0.66g/t Au	
							345	**2.0m @ 3.29g/t Au**	
							381	5.0m @ 0.83g/t Au	
KU17RD040	469214	8995892	72	-60	270	322	38	2.0m @ 0.70g/t Au	Kulumadau West
							142	1.0m @ 0.75g/t Au	RC Pre-collar to 102m
							154	4.0m @ 1.19g/t Au	
							187	**6.0m @ 2.46g/t Au**	
							199	**6.0m @ 2.67g/t Au**	
							212	**3.0m @ 63.44g/t Au**	
							286	1.0m @ 0.51g/t Au	
							301	**9.0m @ 2.84g/t Au**	Including 3m @ 7.32 g/t Au from 307m

Hole	Easting	Northing	RL	Dip	Azim	Depth (m)	Depth From	Intercept	Comments
KU17RC041	469769	8996044	84	-60	0	102	28	**30.0m @ 2.08g/t Au**	Kulumadau East (north)
							71	7.0m @ 0.66g/t Au	
							93	3.0m @ 0.57g/t Au	
KU17RC042	469841	8996031	71	-60	42.5	174	53	**22.0m @ 2.78g/t Au**	Kulumadau East (north) Including 5m @ 8.87 g/t Au from 69m
KU17RC043	469895	8996009	70	-50	45	108	40	1.0m @ 0.56g/t Au	Kulumadau East (north)
							44	7.0m @ 0.74g/t Au	
							63	5.0m @ 0.70g/t Au	
							92	2.0m @ 1.74g/t Au	
							102	**6.0m @ 1.44g/t Au**	
KU17RC044	469838	8995996	67	-55	45	108	61	4.0m @ 0.75g/t Au	Kulumadau East (north)
							94	1.0m @ 2.78g/t Au	
							98	1.0m @ 0.63g/t Au	
KU17RC045	469937	8995994	71	-50	45	84	No Significant Intersection		Kulumadau East (north)

Notes

- Sampling was conducted using diamond drilling (DD) or RC drilling
- Hole types denoted by hole name: BS17DD=Diamond Drilling, BS17RC= RC drilling, BS17RD = RC pre-collar with Diamond tail
- DD samples comprised of half core, cut by diamond saw; RC samples were collected on a 1m interval with approximately 2kg collected from a riffle splitter
- Sample preparation undertaken by ITS Laboratories on Woodlark Island (refer Appendix B for details)
- Gold analysis by Fire Assay 50gm charge by Intertek Genalysis Laboratories, Townsville, Australia
- Mineralised intercepts calculated as a weighted average, using a 0.5g/t Au lower cut, maximum of two metres of internal waste.
- Collar coordinates in PNG94 Geodetic System
- Azimuths true bearing

Significant Intersections at the Busai deposit

Hole No	Easting	Northing	RL	Dip	Azim UTM	Depth (m)	From (m)	Intercept	Comments
BS17DD011	473134	8992802	73	-61	90	103.1	1	1.0m @ 1.03ppm Au	Busai Main
							62	2.0m @ 0.55ppm Au	
							95	1.0m @ 0.82ppm Au	
BS17DD012	473255	8992846	76	-60	90	69	2	2.0m @ 1.15ppm Au	Busai Main
							11.9	7.1m @ 0.57ppm Au	
BS17DD013	473379	8992674	75	-62	270	150.1	41.8	1.0m @ 0.76ppm Au	Busai Main
							75	1.0m @ 1.02ppm Au	
							112	3.0m @ 0.86ppm Au	
							124	1.0m @ 5.41ppm Au	
BS17DD014	473235	8992969	80	-56	90	187	15	1.0m @ 0.59ppm Au	Busai Main
							67	1.0m @ 0.61ppm Au	
							71	**10.0m @ 1.34ppm Au**	
							91	1.0m @ 2.10ppm Au	
							99	1.0m @ 0.62ppm Au	
							103	1.0m @ 0.64ppm Au	
							116	1.0m @ 1.05ppm Au	
BS17DD015	473041	8992936	68	-61	90	191.7	165	5.0m @ 0.64ppm Au	Busai Main
							174	3.9m @ 0.69ppm Au	
BS17DD016	473058	8992903	65	-58	90	188.8	59	2.0m @ 0.85ppm Au	Busai Main
							121	**40.0m @ 2.04ppm Au**	4m @ 9.12 g/t Au from 129m
							169	1.1m @ 1.27ppm Au	
							173	1.0m @ 0.58ppm Au	
BS17DD017	473040	8992843	76	-61	90	219	**168**	**8.0m @ 3.05ppm Au**	Busai Main
							180	1.0m @ 0.60ppm Au	
							184	6.0m @ 0.71ppm Au	
							194	1.0m @ 0.50ppm Au	
							199	**14.0m @ 2.53ppm Au**	
BS17DD018	473057	8992866	73	-61	90	217.4	28.2	1.4m @ 0.61ppm Au	Busai Main
							38.6	1.9m @ 0.84ppm Au	
							102	2.0m @ 0.98ppm Au	
							145.5	1.5m @ 0.96ppm Au	
							152.5	13.5m @ 0.72ppm Au	
							174	1.0m @ 1.03ppm Au	
							178	**18.0m @ 5.55ppm Au**	2m @ 40.89 g/t Au from 182m
BS17DD019	473013	8992894	68	-62	90	233.4	158	1.0m @ 0.71ppm Au	Busai Main
							191	1.0m @ 0.58ppm Au	
							205	4.0m @ 0.52ppm Au	
BS17RC018	472823	8993645	64	-60	270	80	44	1.0m @ 0.55ppm Au	Testing unconformity gold
BS17RC019	472873	8993645	65	-60	270	80	65	1.0m @ 0.77ppm Au	Testing unconformity gold
BS17RC020	472926	8993645	66	-60	270	66	38	2.0m @ 1.08ppm Au	Testing unconformity gold

Hole No	Easting	Northing	RL	Dip	Azim UTM	Depth (m)	From (m)	Intercept	Comments
BS17RC021	472989	8993645	67	-60	270	46		No Significant Intersect	Testing unconformity gold
BS17RC022	472812	8993516	64	-60	270	78	26	1.0m @ 1.72ppm Au	Testing unconformity gold
							47	1.0m @ 0.52ppm Au	
							73	2.0m @ 0.82ppm Au	
BS17RC023	472955	8993421	61	-59	270	72	66	**4.0m @ 1.34ppm Au**	Testing unconformity gold
BS17RC024	472908	8993420	61	-60	270	78	**48**	**2.0m @ 3.78ppm Au**	Testing unconformity gold
BS17RC025	472873	8993420	61	-59	270	72	68	2.0m @ 0.63ppm Au	Testing unconformity gold
BS17RC026	473026	8993274	58	-60	270	66	16	2.0m @ 0.68ppm Au	Testing unconformity gold
							26	4.0m @ 0.64ppm Au	
							34	**4.0m @ 1.30ppm Au**	
							42	2.0m @ 1.13ppm Au	
BS17RC027	473537	8992852	76	-60	270	66		No Significant Intersect	Vulcan lode
BS17RC028	473545	8992921	75	-60	270	60		No Significant Intersect	Vulcan lode
BS17RC029	473497	8992913	86	-59	270	100	10	1.0m @ 0.87ppm Au	Vulcan lode
							17	**6.0m @ 3.05ppm Au**	
							34	4.0m @ 0.64ppm Au	
							52	**8.0m @ 1.22ppm Au**	
							90	2.0m @ 0.50ppm Au	
							96	2.0m @ 0.91ppm Au	
BS17RC030	473483	8992854	86	-60	270	90	27	2.0m @ 0.85ppm Au	Vulcan lode
							48	2.0m @ 2.17ppm Au	
							60	1.0m @ 0.93ppm Au	
							65	1.0m @ 1.26ppm Au	
BS17RC031	473426	8992847	90	-59	270	130	2	8.0m @ 1.59ppm Au	Vulcan lode
BS17RC032	472994	8993474	63	-60	270	66	38	1.0m @ 0.56ppm Au	Testing unconformity gold
							45	2.0m @ 0.94ppm Au	
BS17RC033	473035	8993475	62	-60	270	48	12	1.0m @ 0.71ppm Au	Testing unconformity gold
							35	2.0m @ 2.27ppm Au	
							44	4.0m @ 0.99ppm Au	
BS17RC034	472899	8993469	62	-60	270	72	43	1.0m @ 0.90ppm Au	Testing unconformity gold
							52	1.0m @ 0.73ppm Au	
							69	3.0m @ 2.01ppm Au	
BS17RC035	472946	8993468	62	-60	270	70	31	1.0m @ 1.02ppm Au	Testing unconformity gold
							43	1.0m @ 0.92ppm Au	
							52	1.0m @ 0.52ppm Au	
BS17RC036	472798	8993592	62	-60	270	70	44	1.0m @ 0.57ppm Au	Testing unconformity gold
							65	1.0m @ 0.95ppm Au	
BS17RC037	472744	8993592	62	-59	270	78		No Significant Intersect	Testing unconformity gold
BS17RC038	472902	8993593	64	-60	270	75	46	1.0m @ 0.52ppm Au	Testing unconformity gold
BS17RC039	472957	8993595	65	-60	270	66	40	2.0m @ 2.27ppm Au	Testing unconformity gold
BS17RC040	473060	8992903	65	-60	90	95		No Significant Intersect	Pre-collar

Hole No	Easting	Northing	RL	Dip	Azim UTM	Depth (m)	From (m)	Intercept	Comments
BS17RC044	473384	8992796	79	-60	270	100	0	2.0m @ 0.71ppm Au	Vulcan south
BS17RC045	473432	8992796	76	-59	270	100		No Significant Intersect	Vulcan south
BS17RC046	473480	8992795	75	-60	270	51	16	1.0m @ 1.18ppm Au	Vulcan south
BS17RC047	473519	8992790	69	-60	270	100	40	2.0m @ 0.51ppm Au	Vulcan south
BS17RD041	473038	8992955	68	-60	90	190.4	175	2.0m @ 3.73ppm Au	Busai Main; Pre-collar 10 100m
BS17RD042	473079	8992956	69	-58	90	175.8	61	1.0m @ 0.80ppm Au	Busai Main; Pre-collar to 102m
							73	1.0m @ 0.55ppm Au	
							121	**5.0m @ 1.54ppm Au**	
BS17RD043	473085	8992911	68	-59	90	178.8	51	1.0m @ 0.65ppm Au	Busai Main; Pre-collar to 90m
							92	**32.0m @ 1.96ppm Au**	
							128	**18.0m @ 1.68ppm Au**	
							158	2.0m @ 1.30ppm Au	

Notes

- Sampling was conducted using diamond drilling (DD) or RC drilling
- Hole types denoted by hole name: BS17DD=Diamond Drilling, BS17RC= RC drilling, BS17RD = RC pre-collar with Diamond tail
- DD samples comprised of half core, cut by diamond saw; RC samples were collected on a 1m interval with approximately 2kg collected from a riffle splitter
- Sample preparation undertaken by ITS Laboratories on Woodlark Island (refer Appendix B for details)
- Gold analysis by Fire Assay 50gm charge by Intertek Genalysis Laboratories, Townsville, Australia
- Mineralised intercepts calculated as a weighted average, using a 0.5g/t Au lower cut, maximum of two metres of internal waste.
- Collar coordinates in PNG94 Geodetic System
- Azimuths true bearing

Appendix A: Table 3. Woodlark Island 2012 Resource Table

Reported as per JORC 2012
As of July 2012 at 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade – cut (g/t gold)	Gold – cut (Oz)
Kulumadau	Measured	5	1.78	285,000
	Indicated	4.4	1.75	250,000
	Inferred	8.6	1.4	380,000
	Totals	**18**	**1.6**	**910,000**
Busai	Measured	3.9	1.54	190,000
	Indicated	10.4	1.4	470,000
	Inferred	4.9	1.6	250,000
	Totals	**19**	**1.5**	**910,000**
All	Measured	8.9	1.66	475,000
	Indicated	14.8	1.5	720,000
	Inferred	13.5	1.5	630,000
Totals	**All**	**37.2**	1.5	**1,820,000**

Notes
1: Totals may appear incorrect due to rounding.
2: The Busai Indicated Resource includes 0.4Mt @ 1.4/t Au for 20,000oz from overlying alluvial mineralisation.
3: The Busai Inferred Resources includes 0.4Mt @ 1.2/Au for 14,000oz from overlying alluvial mineralisation.

Appendix A: Table 4. Woodlark Island 2004 Resource Table

Reported as per JORC 2004
As of July 2012 at 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade – cut (g/t gold)	Gold – cut (Oz)
Munasi	Inferred	3.9	0.9	110,000
	Total	**3.9**	**0.9**	**110,000**
Woodlark King	Indicated	3	1.2	115,000
	Inferred[2]	1	1.8	60,000
	Total	**4**	**1.4**	**175,000**
Total	**All**	**7.9**	**1.1**	**285,000**

1: Totals may appear incorrect due to rounding.
2: The Woodlark King Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au from Watou (1.5km south of Woodlark King)
3: These Resources are reported under JORC 2004 and have not been updated.

Appendix B: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	*Nature and quality of sampling (e.g. 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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Sampling was conducted using diamond drilling (**DD**) or RC drilling. Sampling of the diamond drilling comprised half core samples taken based on lithological, alteration, and mineralisation breaks observed in geological logging. RC samples were collected on a 1m interval with approximately 2kg collected from a riffle splitter. Samples were sent for fire assay gold and four-acid multi-element analysis by ICPMS method. Blank, duplicate, and standard samples were inserted in at various intervals based on Geopacific's QAQC procedure to ensure assay results are representative and repeatable.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 50gm 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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Core was cut in half using a core saw. Where core competency was low, whole core was wrapped in plastic clingfilm to help maintain integrity of the sampled interval while being cut. RC samples of approximately 2kg were collected on 1m intervals. Samples were prepared on the on-site sample prep laboratory operated by ITS Pty Ltd PNG (Intertek Services Ltd). Standard preparation of samples is to crush ~2kg through a jaw crushed, with a blank bottle wash between each sample. Crushed sample is then transferred to a LM-2 pulveriser for reduction to pulp. A 150gm pulp sample is split from the master sample and submitted for analysis. Coarse reject material and pulps are bagged and stored on site for future reference. Samples were sent for fire assay gold analysis using a 50g charge, as well as multi-element analysis using multi-acid digest with ICP finish at Intertek's Townsville laboratory.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drilling Techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	Hole with an RC suffix were drilled by Reverse circulation drilling (RC), using a 139mm hammer. Holes with a DD suffix were drilled PQ or HQ diameter triple tube. All core is oriented using Reflex digital ori tool for all core diameters. Holes with a RD suffix were PQ or HQ diamond drill holes with a RC pre-collar
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery is recorded by measuring the core recovered from the drill hole against the actual drilled metres. RC samples are weighed for each metre and assessed for recovery, contamination and effect of water if present.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Triple tube barrel for diamond drilling plus closely monitored drill mud regime. Short drill runs used in areas of broken ground. RC drilling on 1 metre basis using cemented pvc casing to 12m to ensure tight collar seal and minimise outside circulation.
	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.	Sample recovery data shows good recovery throughout the drill holes, consistently above 90%, and as such there is no sample bias introduced because of sample recovery.
Logging	*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.*	All drill core and chips was geologically logged by Geopacific geologists using Geopacific logging procedure. Geotechnical logging of Rock Quality Designation (RQD), hardness, degree of fracturing and weathering is undertaken by Geopacific staff using Geopacific's logging procedure.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Drill core and chips was logged both qualitatively (e.g. lithology, alteration, structure, etc.) and quantitatively (e.g. veining and mineralisation percentage, structural orientation angles, etc.). Drill core is photographed both dry and wet and is stored in plastic core trays in our exploration core yard.
	The total length and percentage of the relevant intersections logged.	All holes are logged their entire length.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core is halved, with one half sent for sample preparation and analysis. The remaining core is stored in the core trays on site.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	RC samples weighed, and if dry, riffle split using a three-tier system generating a collective 12.5% split of the original metre sample for analysis. In areas of un-mineralised material, a 4-metre composite is taken by 25% splitting each component 1m sample and combining for a single sample for submission. Residual original split material is reserved should anomalous values be encountered and individual metre samples be required. Wet samples are placed in a clean container, mixed and spear sampled, mixed again and spear sampled, with resultant sub sample mixed and spear sampled again for submission.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples are crushed to a nominal 2mm by a jaw crusher, with the whole sample pulverised and then split; one 150gm sample for submission with residue stored on site.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field blank, duplicate, and standard samples are introduced to maximise the representivity of the samples.
	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.	Field duplicates are inserted in accordance with Geopacific's QAQC procedure at a nominal 1 duplicate in every 20 samples which is in line with industry standards.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Fire assay Au and four-acid digest ICP analysis are thought to be appropriate for determination of gold and base metals in fresh rock, and are considered to represent a total analysis.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No results from geophysical tools, spectrometers, or handheld XRF instruments are reported in this release.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Field and lab blank, duplicate, and standard samples were used in the drilling. Results from these QAQC samples were within the acceptable ranges.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections were inspected by senior geological staff.
	The use of twinned holes.	No holes reported in this announcement are twins of previous drilling.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary assay data is sent electronically from the lab to GPR database administrator and then entered into the database and validated by the database administrator and senior staff.
	Discuss any adjustment to assay data.	No adjustments were made or required to be made to the assay data.
Location of data points	*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.*	Drill hole collars were located using a total station surveying instrument. Downhole surveys are recorded as being captured by single shot downhole camera
	Specification of the grid system used.	Coordinates are recorded in PNG94 geodetic system
	Quality and adequacy of topographic control.	LiDAR survey data obtained over the licence area, tied in to total station collar readings provide sub-metre accuracy.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling reported in this release relates to infill drilling within the Kulumadau West, Kulumadau East and Busai deposits. Existing drilling within the defined deposit area is nominally spaced 25m x 25m, closer in some areas.
	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.	Drilling results released in this announcement indicate new areas of unrecognised mineralisation that may or may not add to a future resource estimation. Data points are somewhat isolated from surrounding information and may require additional drill holes to support interpretations and subsequent inclusion in future resource estimations.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Whether sample compositing has been applied.	No composite sampling in announced results.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Current interpretations of the mineralised zones in all areas indicate that the orientation of the drill holes has achieved unbiased sampling of the structures.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	An interpretation of the mineralisation has indicated that no sampling bias has been introduced.

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	*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.*	Kula Gold Ltd has executed a Joint Venture agreement with Geopacific Resources Limited (ASX:GPR) where GPR can up to a 75% interest by spending AUD$18.65m over three tranches. In Tranches 1 and 2, GPR must spend AUD$8m and complete 15,000m of diamond drilling within the first two years to earn an initial 35% interest in operating company WML. Should GPR delineate a Reserve >1.2M Oz Au within the two-year period it will be deemed to hold a 51% interest in WML. GPR can increase its ownership to 60% of WML by completing the earn-in expenditure (Tranche 3) without delineating the Reserve target of 1.2M Oz Au. Should that target be met as part of Tranche 3 expenditure, GPR will be deemed to have earned a 75% interest in WML.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	This announcement is based on work done by Geopacific Resources Limited and reviewed by Kula Gold Ltd.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Geology	*Deposit type, geological setting and style of mineralisation.*	Most of Woodlark Island is covered by a veneer of Plio-Pleistocene limestones (coronus) of variable thickness with associated marine clays and basal conglomerates. A central elevated portion of the island (horst structure) contains Miocene volcanic rocks intruded by late stage, high K porphyritic intrusives and contains the known historical mines. Gold mineralisation within the Woodlark Island Gold Project is principally hosted by andesites and their sub-volcanic equivalents within the Miocene age stratigraphic unit known as the Okiduse Volcanics. The mineralisation is variously associated with lodes, quartz veins, stockwork zones and breccias developed within proximal phyllic and marginal propylitic alteration envelopes regionally associated with intrusive breccia complexes. Gold mineralisation is consistent with low sulphidation, base metal carbonate, epithermal systems typical of the south-west Pacific.
Drill hole Information	*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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length* *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.*	See Appendix A, Table 1.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No top-cuts were used in the reporting of these significant intercept. The interval selected using a cut off value 0.5g/t Au, a maximum of two meters of internal dilution and were calculated using weighted averaging.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	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.	Shorter intercepts of higher grade within larger reported intercepts are subsequently highlighted within the summary drilling table.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Information from other drilling in the area as well as geological mapping indicate that the downhole intervals may be close to the true width, but more structural information is needed to determine the exact orientation of the mineralised zones.
Diagrams	*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.*	Diagrams relevant to the report content are included in the body of the report.
Balanced reporting	*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.*	Refer to Appendix A, table 1.
Other substantive exploration data	*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.*	Refer to text.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Refer to text.