



ASX Announcement & Media Release

QUARTERLY ACTIVITY REPORT **For period ending 30 June 2019**

Corporate Overview

Kula Gold Limited (“Kula” or the “Company”) has completed the conditions precedent for the sale of its interests in the Woodlark Island Gold project to Geopacific Resources Limited (“Geopacific” ASX – GPR).

Further to the Notice of Meeting dated 28th May 2019, an EGM was held on 25th June to approve the following transaction:

1. Sale of Kula’s Woodlark Project Interest to Geopacific;
2. Selective buy-back of 319,363,449 Kula shares (representing 85.01% of Kula shares) from Geopacific;
3. Issue of 150,000,000 fully paid ordinary shares in Geopacific to be distributed in-specie to Shareholders of the Company;
4. Payment by Geopacific to Kula of an amount equal to the debt outstanding from Geopacific to Kula which will be applied to clear the inter-company loan balance; and
5. Payment by Geopacific to Kula of an additional A\$20,000.

Shareholders voted unanimously in favour of the above resolutions. After the buyback of Kula shares from Geopacific, those shares were cancelled. The remaining and current shares on issue are now 56,294,579 (No options outstanding).

The transaction was completed on 2nd July and an in-specie distribution of the Geopacific shares held by Kula was completed on 9th July 2019.

Funding Arrangement

After the end of the quarter the Company entered into a line of credit loan facility agreement with Merchant Holdings Pty Ltd, an associate of the Chairman. The terms of this facility are:

- Facility limit: \$150,000;

- Repayable: At call;
- Interest rate: 12% per annum
- Security: Unsecured
- Limits: Any other borrowings must first be approved by the lender in writing;
- Use of Funds: Working capital;

Overhead costs

The company has reduced overhead costs substantially. No directors fees will be paid in cash, only accrued and they may be converted to shares in future fund raisings. The company now has no employees, and any required specialist work will be contracted.

Exploration Update

Subsequent to closing of the Woodlark Transaction with Geopacific, the Company has reviewed 11 projects at varying stages of exploration from grass roots to advanced.

Some projects are in advanced stages of consideration, and details will be reported when concluded.

The Company's current efforts are directed towards generation of significant gold/copper and or other mineral exploration prospects of merit that have potential for large/world class discovery, with the primary objective of substantially value adding to Kula shareholder wealth.

For Further Information, Contact:

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Schedule of tenements:

Mining Tenements held by Kula Gold Limited and its subsidiaries at the end of the quarter are:

Tenement Reference	Country	Location	Interest Acquired During the Quarter	Interest Disposed During the Quarter	Interest at the end of the Quarter
EL 1172	Papua New Guinea	Woodlark Island	-	-	49%
EL 1279	Papua New Guinea	Woodlark Island	-	-	49%
EL 1465	Papua New Guinea	Woodlark Island	-	-	49%
LMP 89	Papua New Guinea	Woodlark Island	-	-	49%
LMP 90	Papua New Guinea	Woodlark Island	-	-	49%
LMP 91	Papua New Guinea	Woodlark Island	-	-	49%
LMP 92	Papua New Guinea	Woodlark Island	-	-	49%
LMP 93	Papua New Guinea	Woodlark Island	-	-	49%
ME85	Papua New Guinea	Woodlark Island	-	-	49%
ME 86	Papua New Guinea	Woodlark Island	-	-	49%
ML 508	Papua New Guinea	Woodlark Island	-	-	49%

NOTE: approval for the sale of all of the ownership interests in the above mentioned tenements had been approved by shareholder at a meeting on 25th June with transfer of ownership taking place on 2nd July 2019.