



ASX Announcement & Media Release

RIGHTS ISSUE AND PLACEMENT

Highlights:

- **Company's shares to be re-quoted on ASX subject to various conditions**
- **Company to undertake a capital raising for \$1.94 million at 2 cents per share through:**
 - **3:2 non-renounceable rights issue to raise \$1.764 million**
 - **proposed placement to raise a \$176,000**
- **Funds to accelerate exploration on Kurnalpi-Lake Rebecca project**
- **Directors participating in the rights issue**
- **Post raising, Kula will have over \$1.5m cash and no debt**

The Board of Kula Gold Ltd ("Kula" or the "Company") is pleased to announce that it has received approval from ASX to have its shares re-quoted subject to meeting various conditions including:

- demonstrating that it has a minimum of \$1.5 million in cleared funds available as working capital;
- filing of assay results from the May 2020 sampling program at Lake Rebecca Gold Project; and
- ensuring that all of its financial reporting, payment of ASX fees, and Appendix 3X, 3Y and 3Z forms are up to date, and confirmation of compliance with LR 3.1.

To satisfy the \$1.5 million net working capital requirement, Kula announces that it will seek to raise \$1.94 million ("Capital Raising") comprising a proposed placement to raise \$174,000 ("Placement") and a non-renounceable pro-rata entitlement offer to raise \$1.764 million ("Entitlement Offer"). Funds raised pursuant to the Capital Raising will be used to accelerate exploration activities for the company's Western Australian exploration licenses, repay debt accrued in funding the Company's activities for the past 12 months, meet the costs of the Capital Raising, and provide working capital.

The assay results from the recent field exploration program at Kurnalpi-Lake Rebecca have been received and are currently being analysed for drill targets in conjunction with geophysical interpretation, and will be included in an announcement within the next week.

Entitlement Offer

The Entitlement Offer will be made to Shareholders on the basis of 3 new fully paid shares for every 2 shares held at an issue price of 2 cents per share to raise approximately \$1.764 million before costs. Eligible Shareholders with a registered address in Australia or New Zealand as at the Record Date (24 June 2020) have the opportunity to take up their entitlement of new shares on the terms and conditions set out in the Prospectus (lodged with ASIC on 19 June 2020). The entitlement offer will close on 10 July 2020.

Eligible Shareholders can choose to take up all, part, or none of their entitlements. Furthermore, Eligible Shareholders who take up their Entitlement in full may also apply for additional shares in the Entitlement Offer that were not taken up by other Eligible Shareholders. There is no guarantee that applicants under the shortfall facility will receive all or any of the additional shares for which they apply. The Directors reserve the right to place shortfall Shares at their discretion, subject to the ASX

Listing Rules and any restrictions under applicable law within 3 months of the close of the Entitlement Offer.

New Shares under the Entitlement Offer are expected to be issued on 17 July 2020.

Individual Directors and or associated entities have agreed to subscribe for their entitlement and underwrite the Entitlement Offer for a total of 17,268,789 shares.

Placement

In conjunction with the Entitlement Offer, the Company will seek to place 8,819,187 shares at an issue price of 2 cents per share to raise \$176,000. The Placement will be made without shareholder approval using its existing 15% placement capacity under ASX Listing Rule 7.1, with settlement to occur at the same time as the Entitlement Offer shares are issued.

Timetable

The proposed timetable for the capital raising is set out in the table below:

Event	Date
Lodge Prospectus with ASIC and ASX and Appendix 3B with ASX	19 June 2020
Ex date	23 June 2020
Record date	24 June 2020
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	29 June 2020
Opening Date of Entitlement Offer	29 June 2020
Last day to extend Entitlement Offer close date	7 July 2020
Closing Date of Entitlement Offer	10 Jul 2020
New shares quoted on a “deferred settlement” basis	13 July 2020
Announcement of results of the Entitlement Offer to ASX	15 July 2020
Issue of New Shares pursuant to Entitlement Offer	17 July 2020
New Shares under Entitlement Offer commence trading on ASX on a normal basis	20 July 2020

Lead Manager

Mahe Capital Pty Ltd (Mahe) has been appointed as lead manager of the Entitlement Offer. Mahe will receive a lead manager’s fee of \$20,000 and a 6% capital raising fee, comprising a management fee of 1% (plus GST) and placement fee of 5% (plus GST) on the gross proceeds of funds placed by Mahe.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Entitlement Offer, and will need to follow the instructions on the entitlement and acceptance form that will accompany the Prospectus.

For further information on the Entitlement Offer and Placement, please refer to the Prospectus, the Company’s announcements available on ASX’s website (www.asx.com.au) or the Company’s website (www.kulagold.com.au). Alternatively, please contact the Company Secretary by phone on +61 8 6144 0592 or email at info@kulagold.com.au.

The Company confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

Authorised by the Board of Kula Gold Ltd

For further information, contact:

Simon Adams, Company Secretary, +61 8 6144 0592, info@kulagold.com.au

About the Company

Kula Gold Ltd has a strategy to acquire, explore and develop mining projects with a focus on gold in projects located in Western Australia. The concept which was used to generate the initial tenement acquisition was the identification of greenfield gold opportunities in Western Australia using analogue examples of gold in granites as the exploration model. The project generation process was based on the increasing number of significant granite hosted gold deposits being discovered and or delineated in the Yilgarn Block of Western Australia. The Company has applied for two large exploration licenses, one of which has been granted and the second of which is in the final stages of the application process.