



ASX Announcement & Media Release

New Westonia Gold Project Adjacent to the Edna May Gold Mine

Date: 23 February 2021

ASX Code: KGD

Board of Directors:

Mark Stowell (Chairman)

Mark Bojanjac

John Hannaford

Simon Adams

Shares on Issue:

155,805,606 Ordinary Shares

Cash at Bank:

\$1.2m (at 31 Dec 2020)

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Highlights:

- Secured tenement applications covering 357km² around the Edna May Gold Mine at Westonia WA
- Gravity and magnetic targets identified by Kula from reprocessing publicly available data

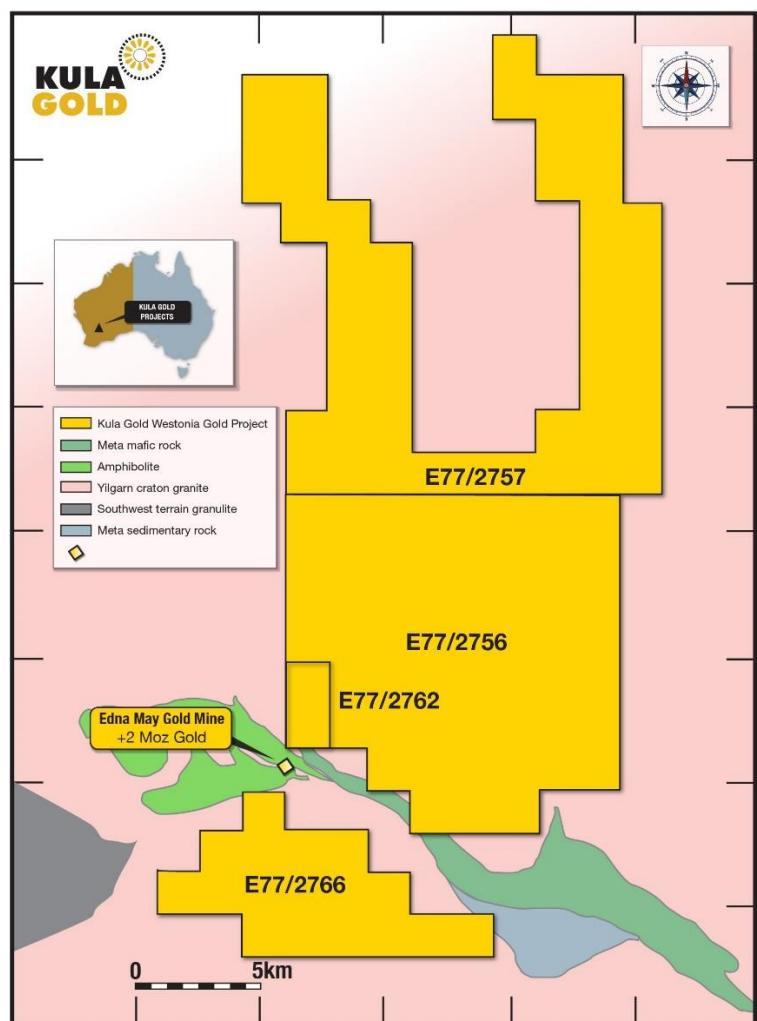


Figure 1. Kula Westonia project showing new applications and proximity to Edna May gold mine

Kula Gold Limited (Kula or the Company) is pleased to advise that the Company has applied for four new exploration licenses around the Edna may Gold Mine. The combined licences, shown in the map above, cover an area of ~357km² and will be an additional focus for Kula's Southern Cross exploration programs which are gearing up in March/April.

This acquisition continues Kula's focus of drilling near to operating gold mines as geologically proven areas for discovery, and importantly the development and mining of any discovery is potentially much quicker and any development of future projects would require far less capex than a green fields new mine development.

The Edna May gold mine is a substantial producer in the Southern Cross region, owned by Ramelius Resources Ltd (ASX:RMS). It has a notable production history as detailed later in this release, including historical production 1911-1991 of 700,000 Oz, Since re-starting in 2010 has produced approximately 80-100,000 Oz p.a. and hosts resources of 28mt @1.0 g/t gold for 930,000 Oz as at 31 December 2020. (Ramelius Resources Ltd Annual Report 31 December 2020). In total, the Edna May gold mine has an endowment of over 2 million Oz gold.

No historical gold drilling has been undertaken on the southern section (E77/2766), as per the WAMEX database.

Kula plans to test the gravity anomaly shown in figure 2 below with deeper auger drilling to adequately test for gold anomalism below the interpreted transported soil cover. The gravity anomaly of interest is similar in tenor to surrounding anomalies which host gold mineralisation (yellow triangles in the figure below) and include the Edna May gold deposits.

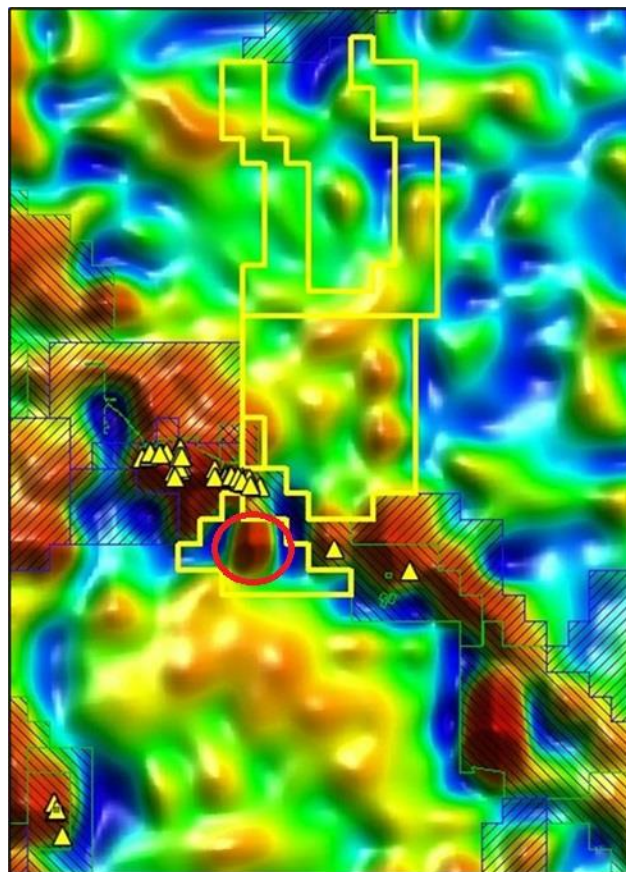


Figure 2. Gravity anomaly (red circle) on E77/2766, yellow triangles indicating the Edna May Deposits

The licences, to the northeast of Edna May, were acquired based on magnetic targets which suggest a potential northern extension of the greenstone belt as shown in Figure 3 below.

Previous exploration in Kula's Northern Westonia license has consisted of surface sampling which did not reveal any significant gold anomalies. Kula's concept is that the previous surface soil sampling work was ineffective in testing the areas for gold mineralisation, therefore Kula will employ deeper auger type geochemical sampling to better test the gold potential of the licences at low cost.

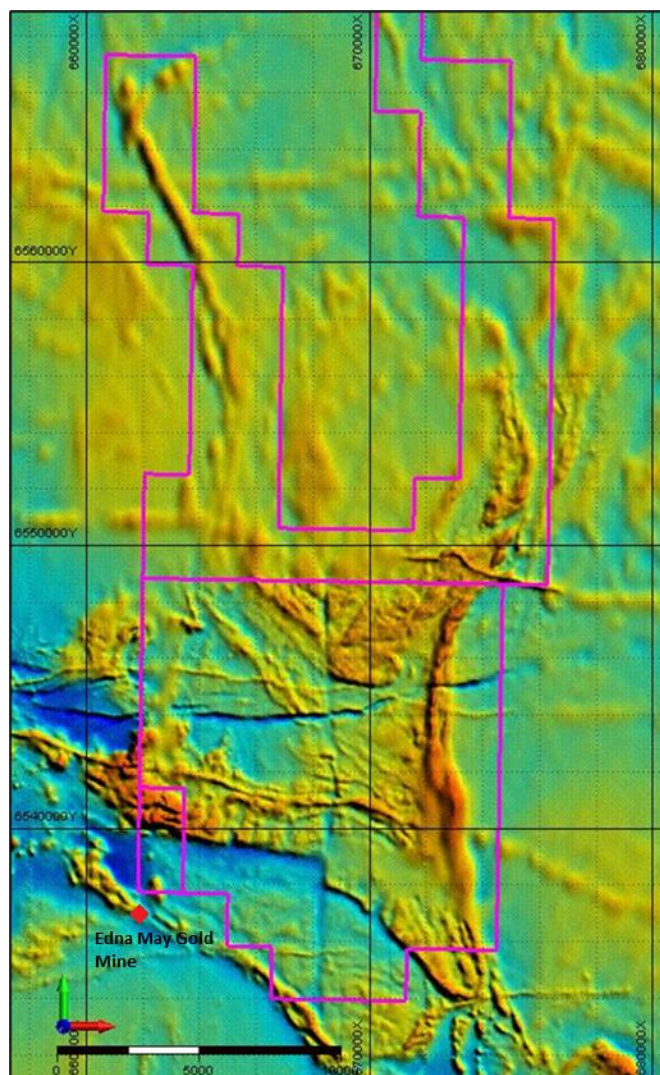


Figure 3. Reprocessed TMI-RTP magnetics showing potential greenstones north of Westonia, within the boundary of the newly secured tenements

Edna May Gold Mine history

In 1911, the prospector Edmund John Annear applied for the first mining lease at a strike 1km north of the Westonia Townsite. He quickly established a mine at the claim which he named the Edna May after his aunt.

The Edna May mine produced 171,000 Oz of gold but by 1922 the mine was forced to close due to problems with underground water and the exhaustion of the high-grade ore supply.

In 1935 mining resumed with around 355,000 Oz gold produced before the mine closed in 1947. Water was again a problem as well as labour supply shortages created by the war.

New mining techniques saw the Edna May reopened as an open pit operation by ACM Gold in 1985. The mine produced 274,000 Oz at an average grade of 1.97 g/t of ore. Underground water and low ore quality were again factors resulting in the closure of the mine in 1991.

Ramelius Resources (previously Evolution Mining Ltd, Catalpa Resources Ltd & before that Westonia Mines Ltd) now owns the Edna May. After completing extensive drilling at the site, the company purchased a process plant from the Big Bell mine near Cue in Western Australia's north and transported it to the Edna May site in 2007. Catalpa Resources then commenced the process of re-building the Edna May mine and processing plant. This process was completed and Evolution Mining poured the first gold from the Edna May in April 2010. This signalled the Edna May's movement into full mining production for the fourth time, and has been continuous production since then. [https://www.westonia.wa.gov.au/explore/what-to-do-\(attractions\)/edna-may-gold-mine.aspx](https://www.westonia.wa.gov.au/explore/what-to-do-(attractions)/edna-may-gold-mine.aspx)

Further work on the Westonia project is in progress, and results will be reported in due course.

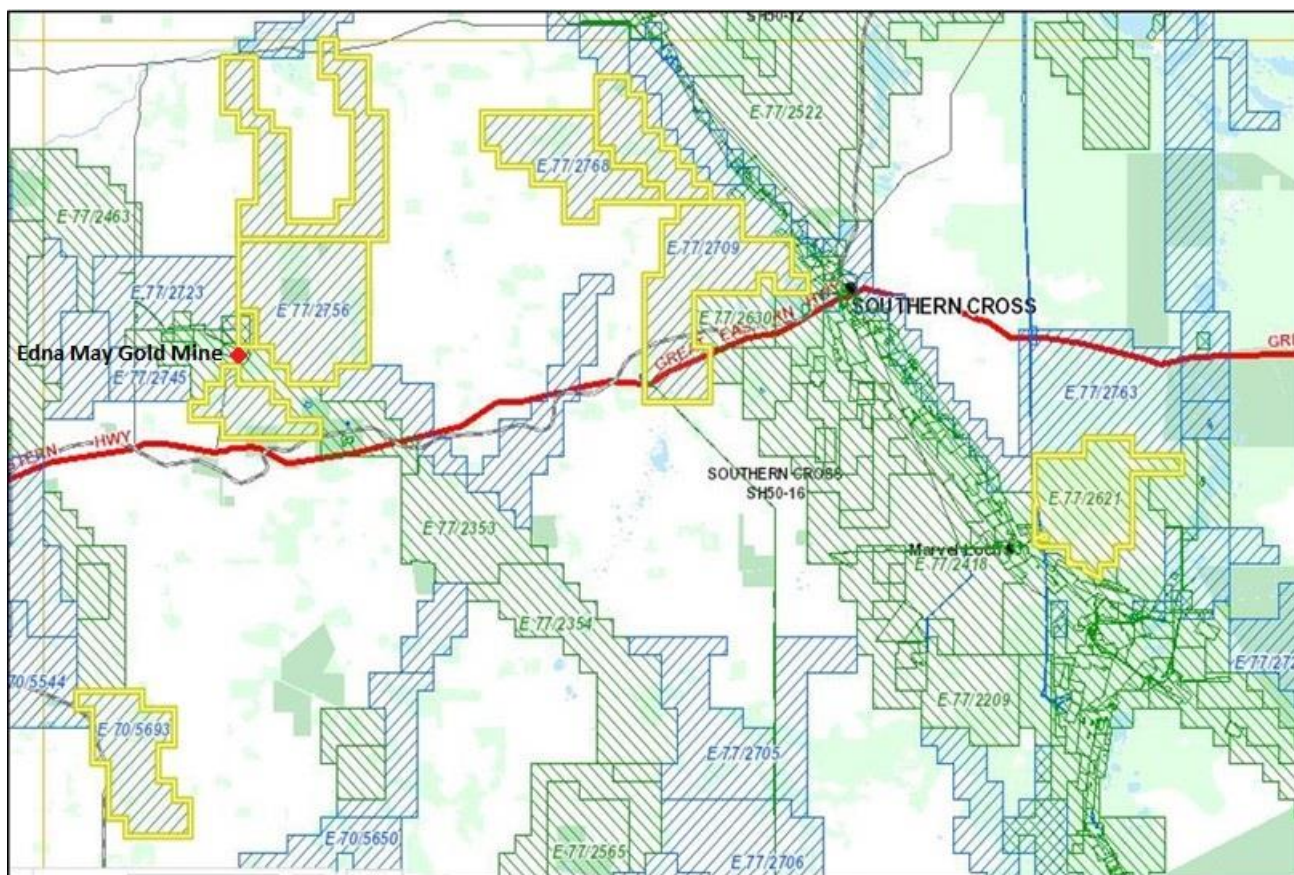


Figure 4. Kula's Southern Cross region projects (Kula licenses are outlined in gold)

By order of the Board

For Further Information, Contact:

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About the Company

Kula Gold Ltd (ASX: KGD) is a Western Australia gold exploration company focussed on large land positions and structural geological settings capable of hosting ~1m oz or equivalent deposits.

The company has projects within the Southern Cross WA region including Rankin Dome and Marvel Loch, as well as near Kurnalpi and Brunswick. The company has a history of large gold resource discoveries with its foundation Woodlark Island project in PNG.

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