



ASX Announcement & Media Release

QUARTERLY ACTIVITY REPORT For period ending 31 December 2019

1. Operational Overview

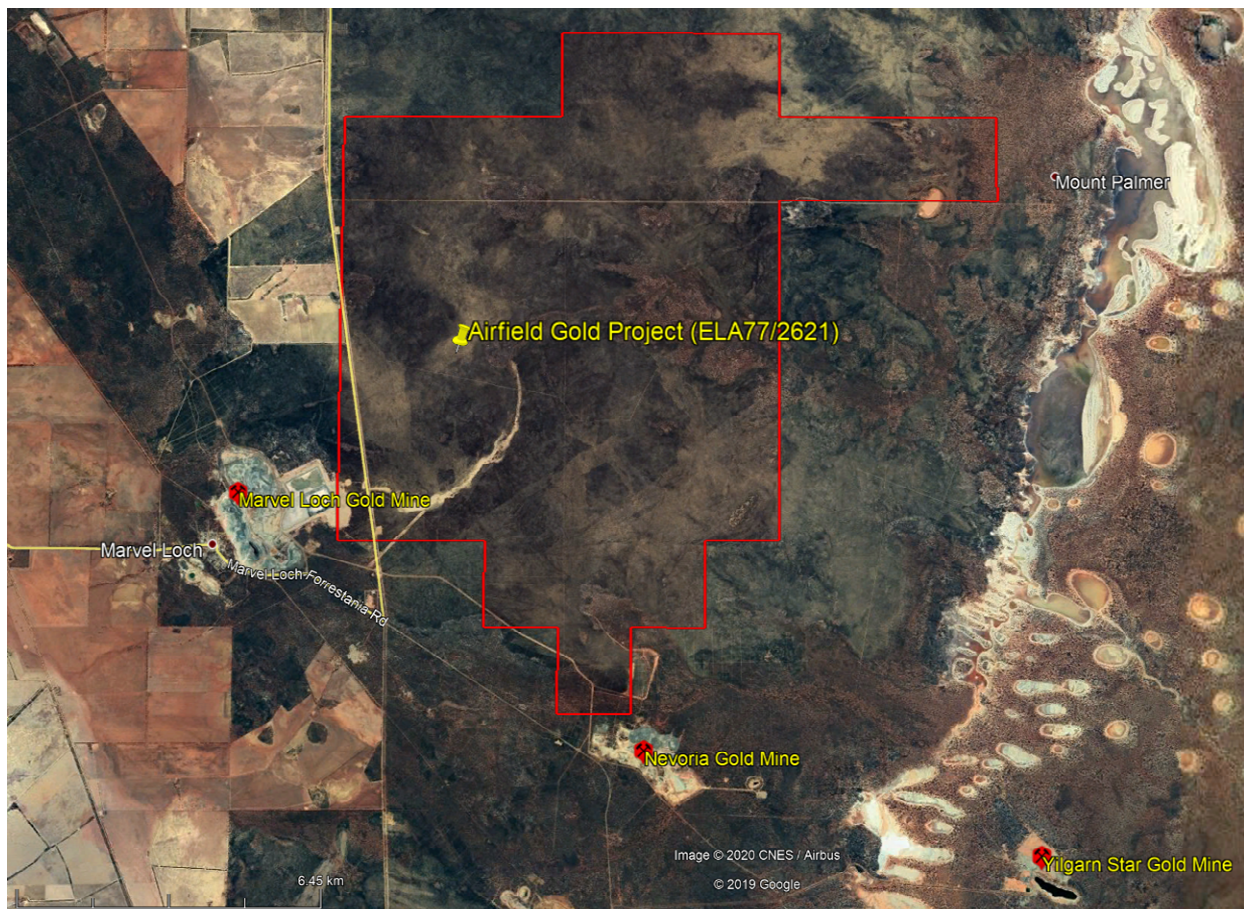
1.1. Marvel Loch WA, Airfield Gold project

Kula Gold Ltd (“Kula” or the “Company”) applied for EL77/2621 over the south-central part of the Ghooli Dome in the Marvel Loch area of Western Australia, which is known as the Airfield Gold Project, in September 2019. The choice of area was driven by the increasing number of grant hosted gold deposits being discovered in the Yilgarn Block. An open file search of the WAMEX database at the DMIRS was conducted which showed that work was carried out in this location by Sons of Gwalia Ltd (“SOG”) in the late 1980’s. The reports from geological surveys at the time indicated auger gold in soil anomalies in the Ghooli Dome which had not been followed up.

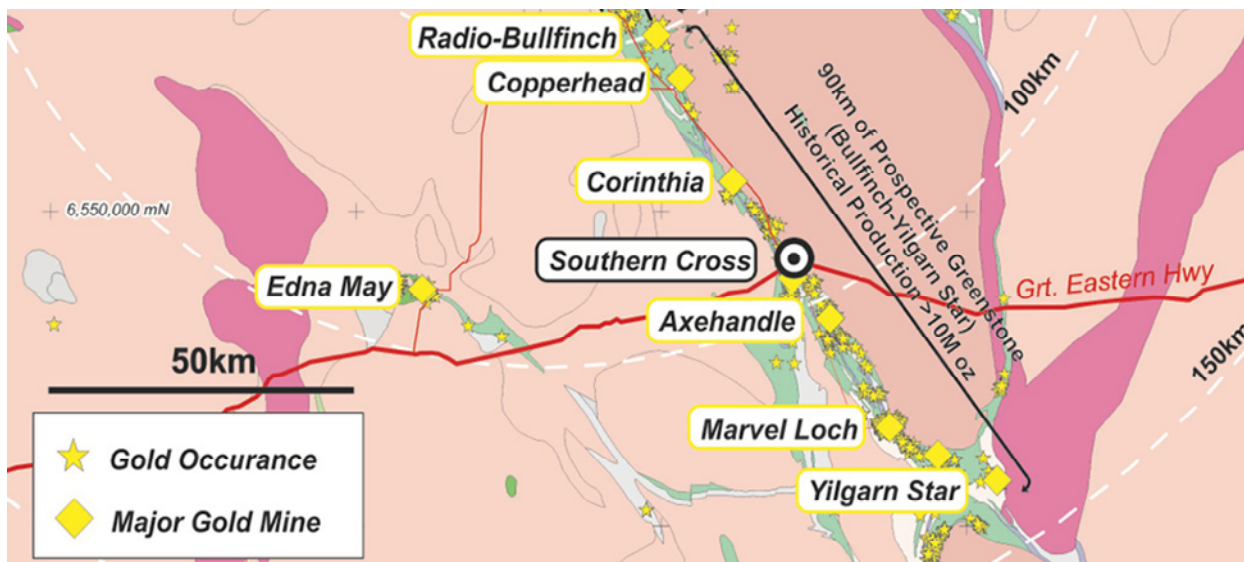
The Marvel Loch (Airfield) gold project leases covers an area of 120km² and is located 5km east of the town of Marvel Loch, a major gold mining centre in Western Australia. This locality has a number of current and historical mining operations nearby which provides valuable infrastructure and services for potential future development. This region has seen over 15Moz of historical gold production and the Marvel Loch mine and mill continue production under the ownership of Minjar Gold.

The Southern Cross Greenstone Belt is a strongly deformed, metamorphosed synformal remnant of a once larger greenstone assemblage. It has been shaped and attenuated by the emplacement of syn-tectonic granitoids (Gee, 1995). These granitoid domes include the Ghooli, Parker and Rankin Domes (Gee, 1982; Keats, 1991). On a regional scale, sheared lithological contacts are the primary control on the distribution of gold mineralisation. Most of the belt’s production has been derived from shear-hosted deposits (Marvel Loch, Yilgarn Star and Frasers) and to a lesser extent fold hinge deposits, usually in Banded Iron Formation (Copperhead, Golden Pig and Bounty).

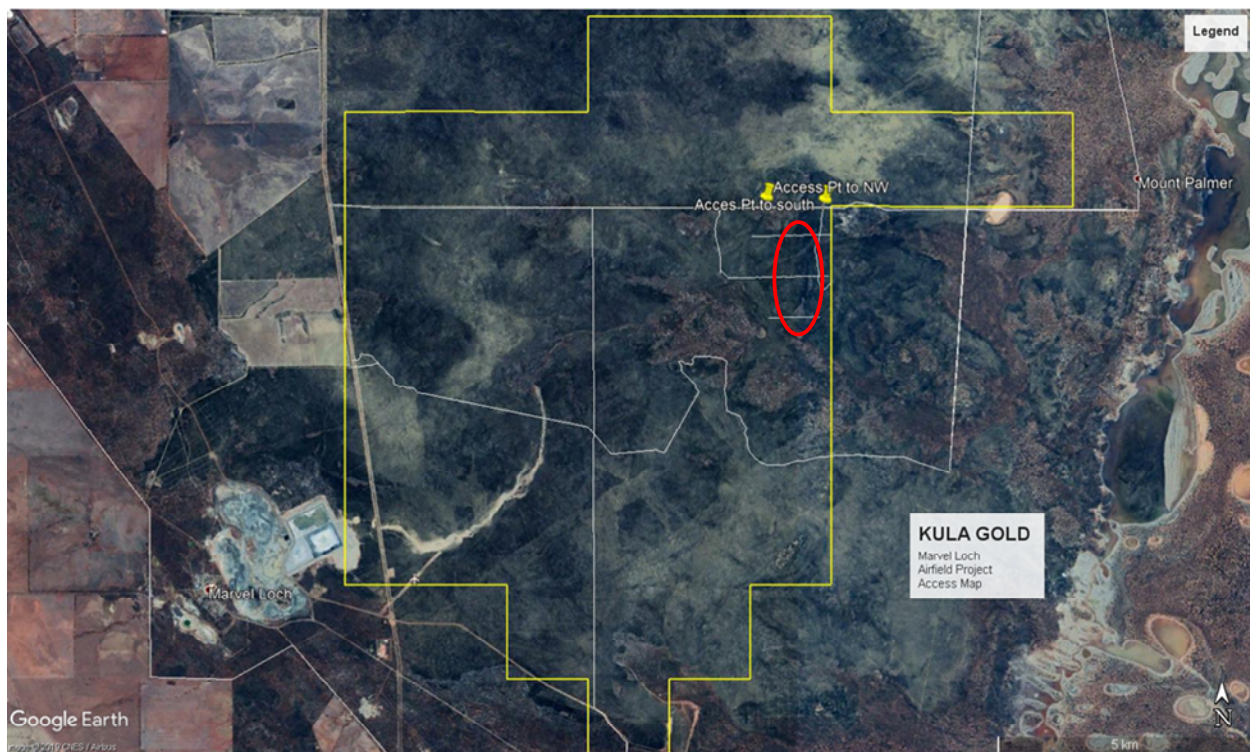
During the quarter, a reconnaissance site visit was undertaken to verify the locations of the SOG geochemistry work in the field and to check the access to and within the licence area. Existing tracks provide access within the license area and road infrastructure around the Marvel Loch area is good due to the existence of current mining operations adjacent to the lease.



Location map of Airfield Gold Project lease (ELA77/2621)



Location of major gold discoveries along the Greenstone Belt



Area of SOG anomalous auger sampling is shown in red



Along with the site visit in November 2019, detailed analysis of the historic open file exploration data and acquisition of more recent open file aero-magnetics has added to the knowledge base and understanding of the potential for this location. The data has been re-processed by the company's consulting geophysicist who has identified a number of structures with a series of extensional jogs which are co-incident with the historical auger gold in soil anomalies. The targets have strike lengths of over 2km, and some are open to the north and south.

One of the SOG geochemistry samples returned a value of 311ppb and the location of this sample was physically located in the field (see photo) during the field visit. The regolith in the vicinity of the sample contains a mixture of yellow sand and Tertiary in situ laterite which confirms the relevant GSWA maps of the area.

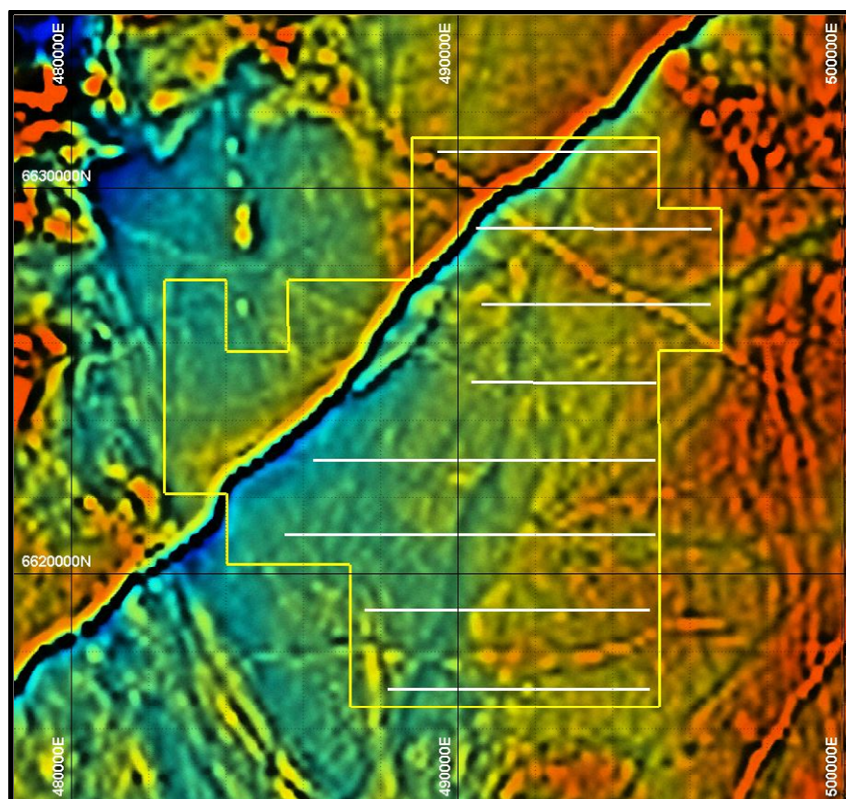
The Company is progressing the license to granting. The next phase of the work program following granting will include auger geochemistry sampling to verify and potentially extend the SOG anomalies. The planned program is likely to incorporate an initial 380 hole auger drill program followed by 2,500m RAB/Aircore drill program of any generated gold anomalies.

1.2. Lake Rebecca Gold Project, WA

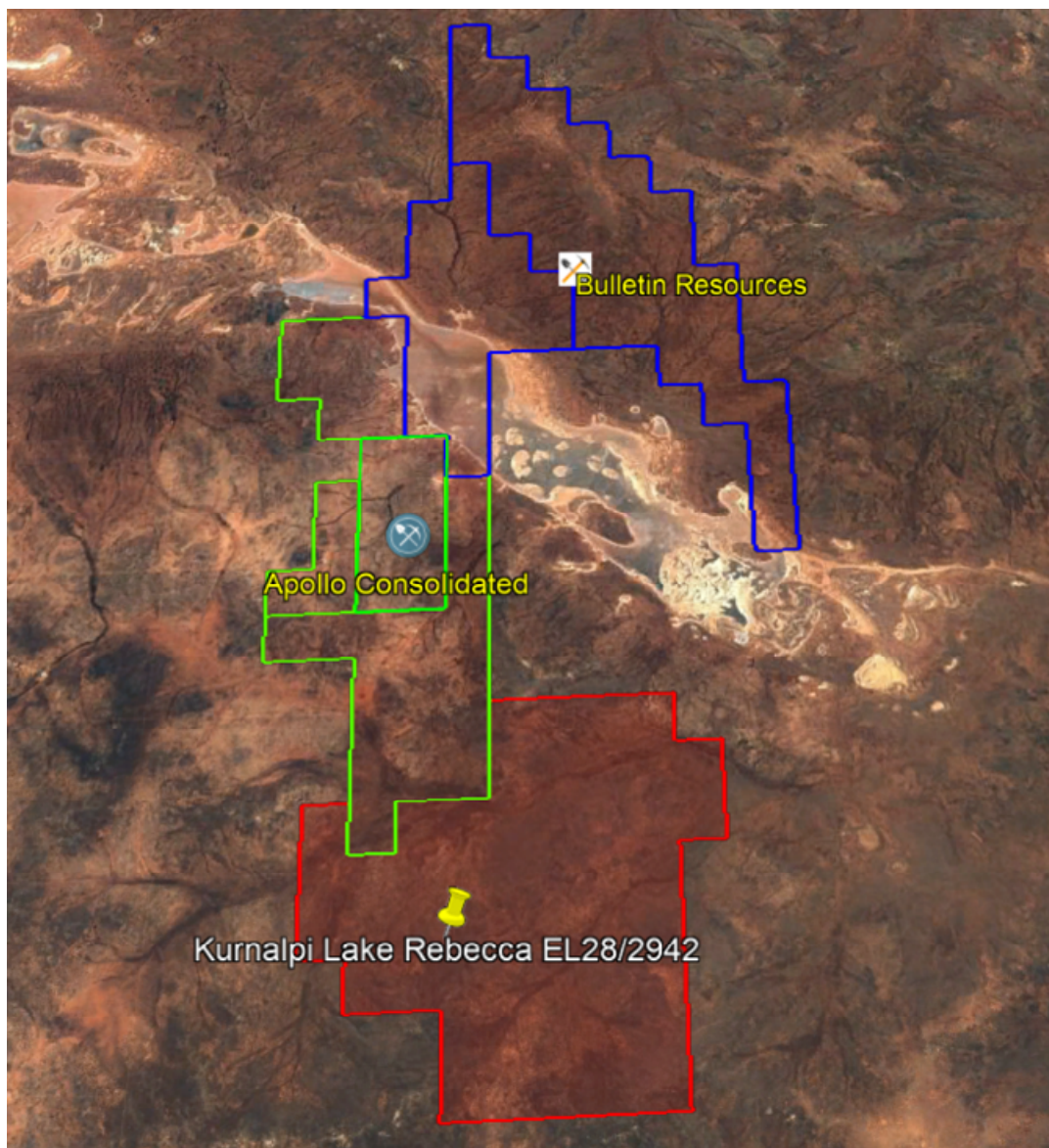
The Lake Rebecca project is an exploration license which covers 150km² and is located south of Lake Rebecca in the Kalgoorlie goldfields.

The Company has acquired open file aero-magnetics and its consulting geophysicist has undertaken reprocessing of that data which has identified a number of target structures for initial auger drill testing. Limited historic drilling/sampling work has been undertaken over the area with some historic results indicating anomalous silver.

The exploration lease application is being expedited with native title submission in progress. Following granting, Kula will be in a position to commence further exploration work which is expected to include an initial 300 auger drill hole program. Similar to the Marvel Loch, Airfields project, this exploration opportunity seeks to identify potential structurally controlled gold mineralization hosted in Gneiss similar to Apollo Consolidated's Lake Rebecca Project.



Kula Gold Lake Rebecca gold project magnetics and planned auger drilling lines



Location of Kula EL in relation to Apollo Consolidated (ASX: AOP) and Bulletin Resources (ASX: BNR)

2. Corporate Overview

The Company continues to operate at minimum cash costs with expenditure focused on progressing the Marvel Loch and Kurnalpi gold projects.

Despite a number of submissions to ASX coupled with a proposed fund raising, ASX determined late in the quarter that the Company's shares be suspended from trading and Kula can re-apply for quotation after tenement grant. The fundraising was therefore withdrawn. The Company is working expeditiously for tenement granting.

By order of the Board

Tenement Report

Mining Tenements held by Kula Gold Limited for the quarter are:

Project	Location	Tenement Reference	Status	Interest Acquired During the Quarter	Interest Disposed During the Quarter	Interest at the end of the Quarter
Marvel Loch Gold Project	Marvel Loch, W. Australia	E 77/2621	Application	-	-	100%
Kurnalpi Lake Rebecca Gold Project	Lake Rebecca, W. Australia	E 28/2942	Application	-	-	100%

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.