



ASX Announcement & Media Release

Quarterly Activity Report for the period ended 31 March 2023

Date: 24 April 2023 ACN: 126 741 259 ASX Code: KGD

Highlights:

- **DBGM Prospect – Lithium soil anomaly extended to 1.7km**
- **Two drone magnetic surveys were completed and has enhanced the drill target potential at the Brunswick Project**
- **Rock chip sampling at Marvel Loch – Airfield Project has resulted in anomalous lithium and tantalum results of up to 59.8ppm and 40.2ppm lithium and 55.5ppm tantalum, along a magnetic structure of up to 4km**
- **Shareholder approval was obtained to acquire a 70% interest in the lithium and related minerals in the Kirup Project which has an area of 117km² and located within 25km of the world class Greenbushes Lithium Mine**
- **Airborne helicopter VTEM and a drone magnetic survey defined an ‘eye’ structure at the Westonia Project adjacent to the Edna May Gold Mine**
- **An Air Core & RC drilling program was completed to test six high-priority targets at the Westonia Project**

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity report for the period ended 31 March 2023.

BRUNSWICK PROJECT -100%

During the quarter under review, the Company reported excellent progress on potential lithium bearing pegmatites at its 100% owned Brunswick Project, approximately 45km north of the world’s largest hard rock lithium mine, Greenbushes Lithium Mine in Western Australia.

The Company continued ground exploration work and increased the number of pegmatite targets being mapped and rock chipped. Rock chip samples were sent to the laboratory for multielement analysis that includes not only Lithium (Li) detection but also the additional pathfinder elements Caesium (Cs), Niobium (Nb) and Tantalum (Ta) and will be reported in due course.

[\(Refer ASX Announcement dated 20 February 2023, Lithium Drill Target 1.7km Strike – Brunswick Project\).](#)

DGBM PROSPECT – 100%

Following a recent soil program in the northern portion of the tenement, the target has increased by over 700m in strike for a total potential strike of 1.7km with up to 102ppm lithium which is encouraging for surface sampling.

[\(Refer ASX Announcement dated 20 February 2023, Lithium Drill Target 1.7km Strike – Brunswick Project\).](#)

A prospect scale drone magnetic survey has been completed and has allowed for interpretation of zones of dilation or movement that would allow pegmatites to come to the near surface. This is now a drill ready target and permitting approvals have been received.

[\(Refer ASX Announcement dated 21 March 2023 – Tantalum & Gold Targets – Brunswick Projects\).](#)

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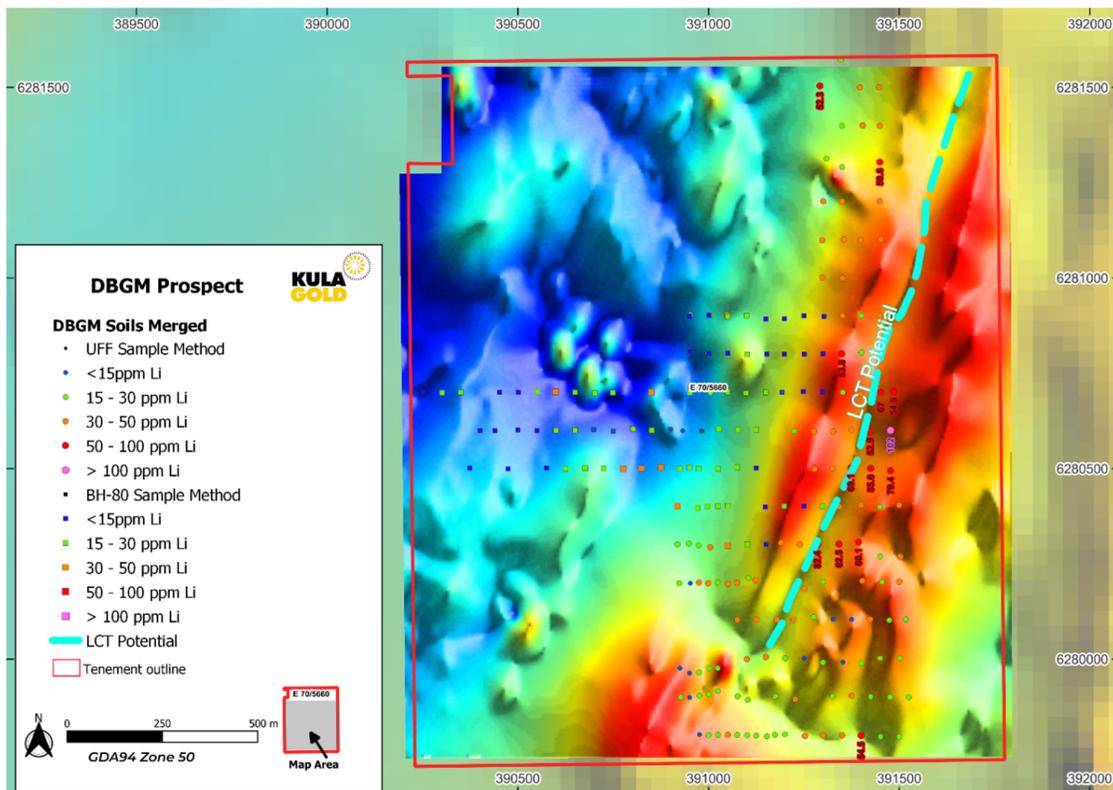


Figure 1: DBGM Prospect with new drone magnetics over regional magnetics TMI RTP with anomalous lithium geochemistry analysis and interpreted pegmatite adjacent to the historic Donnybrook Gold Mine.

HIPPY LADY PROSPECT – 100%

Recent reconnaissance mapping and rock chip sampling has detected anomalous tantalum readings of 46ppm and 14ppm. The significance cannot be overstated on virgin ground and now provides Kula’s exploration team to do substantially more mapping, rock chipping and now soil sampling will be added to the activities during the next quarter.

[\(Refer ASX Announcement dated 20 February 2023, Lithium Drill Target 1.7km Strike – Brunswick Project\).](#)

Reconnaissance mapping and rock chip sampling continued and has detected anomalous tantalum readings of 74.8ppm and 45.1ppm. This is the second highly anomalous analysis for Kula’s exploration team. The drone magnetic survey was flown and the interpreted strike of the Hippy Lady Prospect which is now nearly 2km long. [\(Refer ASX Announcement dated 21 March 2023 – Tantalum & Gold Targets – Brunswick Projects\).](#)

KIRUP LITHIUM PROJECT – 70%

On 31 March 2023, the Company held a General Meeting and received shareholder approval to complete the acquisition of a 70% interest in the lithium and related minerals in a key tenement, E70/5452 (“Kirup Project”) to complement the existing Brunswick Project.

The Kirup Project has an area of 117km² and located within 25km of the world class Greenbushes Lithium Mine.

The acquisition consideration includes a cash reimbursement of exploration expenditure of \$200,000, 12m fully paid ordinary shares and a deferred consideration component being \$2m payable in fully paid ordinary shares upon announcing a JORC maiden resource of a minimum of 10mt of ore at a grade of 1% lithium or greater. \$70k of the cash consideration was paid in the previous quarter and the remaining \$130k was paid subsequent to the end of this quarter. The 12m fully paid ordinary shares were also issued subsequent to the end of this quarter. [\(Refer ASX Announcement dated 3 March 2023, Notice of General Meeting/Proxy Form\).](#)

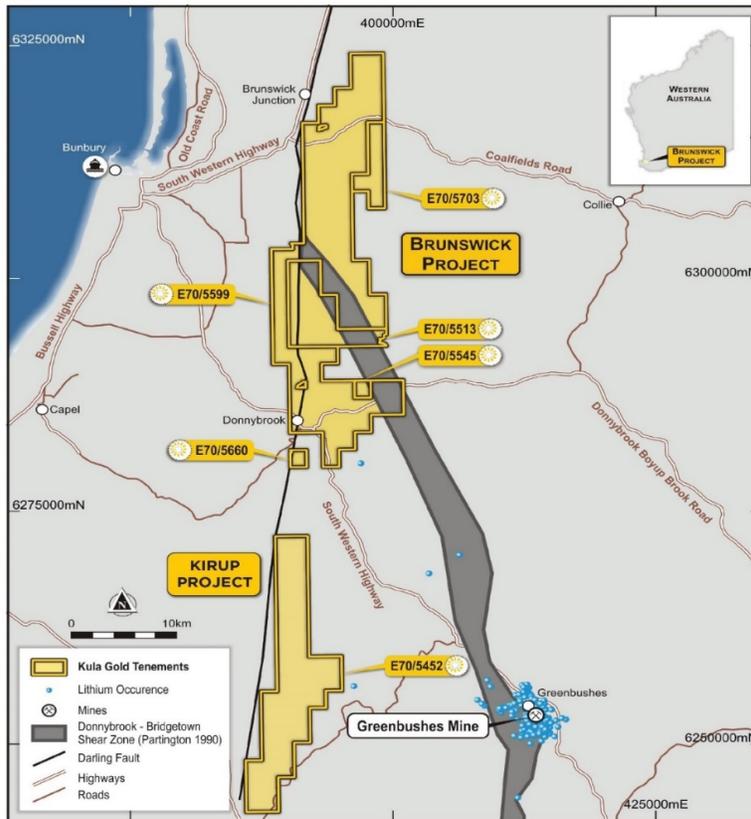


Figure 2: Kula's Kirup & Brunswick Projects, the DBSZ and proximity to Greenbushes Mine and Infrastructure.

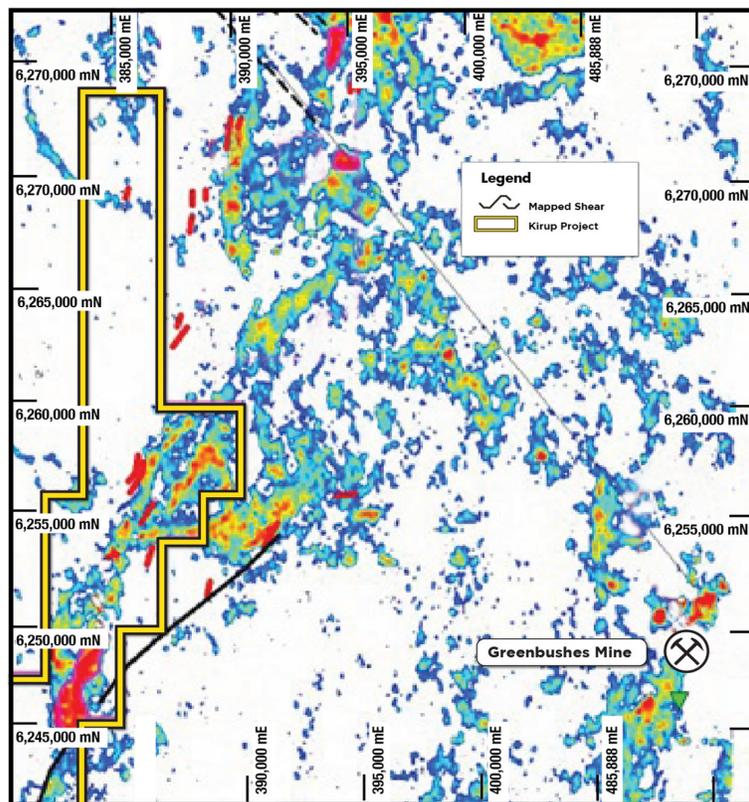


Figure 3 U² Th, Kirup Project E70/5452 within 25km West of Greenbushes.

MARVEL LOCH – AIRFIELD PROJECT -100%

The Company reported reconnaissance field mapping and sampling on a lithium and tantalum bearing pegmatite at its 100% owned Marvel Loch-Airfield Project, approximately 90km north of the hard rock Mt Holland Lithium Mine in Western Australia.

The program detected anomalous readings of 59.8ppm and 40.2ppm lithium and a reading of 55.5ppm tantalum. A follow-up field mapping and rock chip program is schedule for the next quarter.

[\(Refer ASX Announcement dated 27 March 2023, Lithium & Tantalum Target – Marvel Loch – Airfield Project\).](#)

WESTONIA PROJECT – 100%

The Company defined an ‘eye’ structure and 3 conductors at various channels, following the completion of a helicopter VTEM and a drone magnetic survey at its 100% owned Westonia Project (tenement E77/2766) located 5km from the Edna May Gold Mine.

As well as anomalous copper reported on 28 October 2022, with 498.3ppm copper anomalism, co-incident with magnetic structures and gossanous outcrop (Figure 4). [\(Refer ASX Announcements dated 28 October 2022, Amended – Anomalous Copper & PGE – Westonia & 23 January 2023, ‘Eye’ Structure Defined – Westonia Project\).](#)

On 30 January 2023, the Company commenced a reconnaissance drilling program to test three high-priority intrusive targets at the Westonia Project.

[\(Refer ASX Announcement dated 30 January 2023, Drilling Commenced at ‘Eye’ Structure – Westonia Project\).](#)

On 10 February 2023, the Company announced that an Air Core and RC drilling program to test six high-priority targets had been completed at the ‘eye’ structure at the Westonia Project.

The drilling program consisted of 1 Air Core hole and 26 RC holes for 2,292m of drilling. The drilling intersected encouraging rock types consistent with an Archean Greenstone sequence and similar to surrounding greenstones. There were zones of alteration with potential mineralisation to be determined. 614 composite samples from drill cuttings were sent to the laboratory for analysis.

[\(Refer ASX Announcement dated 10 February 2023, Drilling Completed At ‘Eye’ Structure – Westonia Gold Project\).](#)

Fire assay results received for gold, platinum and palladium provided no intersections of significance but multielement analysis is still pending and will be announced in due course.

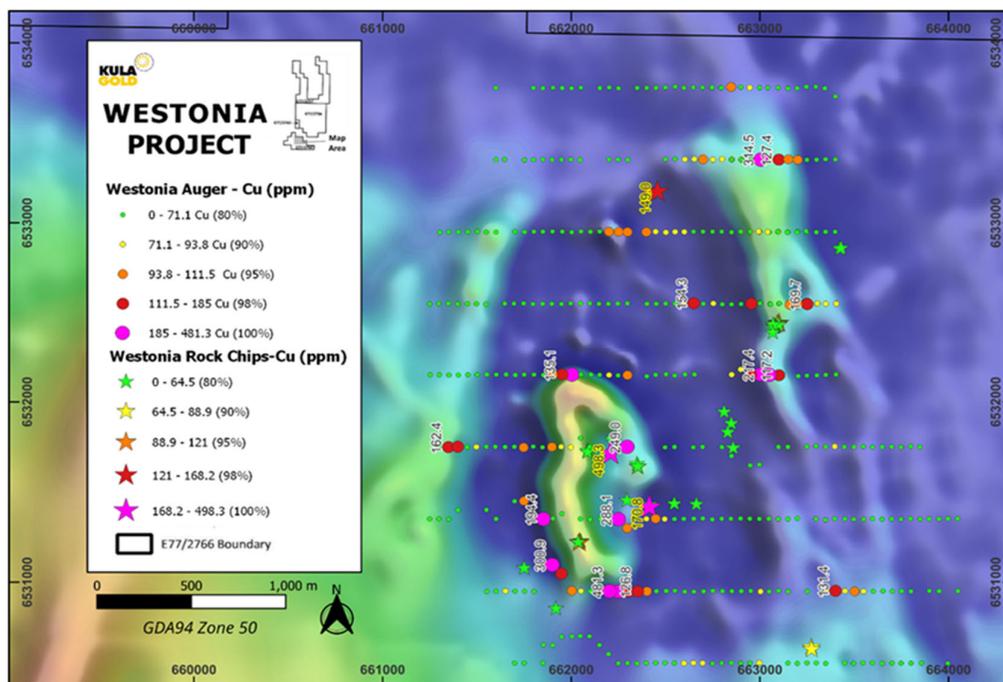


Figure 4: Anomalous copper in auger and rock chips with magnetics RTP image.

OTHER TENEMENTS

During the quarter, the binding Farm-In Agreement with Australian Critical Minerals Pty Ltd was extended for 3 months to 30 June 2023 by mutual agreement.

CORPORATE ACTIVITIES

On 2 February 2023, the Company issued 1.3m unlisted options exercisable at \$0.06, expiring 1 July 2026 under the terms of the Employee Incentive Option Plan (EIPO). 1m unlisted options lapsed under the EIOP.

Payments to related parties during the quarter included in item 1, totalled \$64,349 which included director's fees, consulting fees, office and storage leases.

By order of the Board

For Further Information, Contact:

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About the Company

Kula Gold Limited (ASX: KGD) is a Western Australian mineral exploration company with expertise in the discovery of new mineral deposits in WA. The strategy is via large land positions and structural geological settings capable of hosting ~+1m oz gold or equivalent sized deposits including Lithium.

The Company is advancing projects within the South West region of WA for Lithium and Gold at Brunswick, as well as Gold and PGE at Westonia adjacent to the producing Edna May Gold Mine (owned by ASX: RMS) in the WA goldfields.

The Company has a history of large resource discoveries with its foundation being the Woodlark Island Gold project in PNG, (+1m oz Gold) which was subsequently joint ventured and sold to (ASX: GPR).

Kula's recent discovery was the large 93.3mt Boomerang Kaolin deposit near Southern Cross WA – Maiden resource announced 20 July 2022. This project is in the economic study phase and moving to PE funding or trade JV.

The exploration team are busily working towards the next mineral discovery, potentially lithium, caesium or tantalum near the world class Greenbushes Lithium Mine and Mt Holland Lithium Mine.

Competent Person Statement

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

Tenement List

Region	Project	Tenement	Status	Grant Date	Interest Acquired during the Qtr	Interest Disposed of During the Qtr	Interest At End of Qtr
Southern Cross Region	Rankin Dome	E77/2709	Granted	8/10/2021	-	-	100%
		E77/2753	Granted	8/10/2021	-	-	100%
		E77/2768	Granted	26/03/2021	-	-	100%
	Westonia	E77/2756	Granted	8/10/2021	-	-	100%
		E77/2757	Granted	8/10/2021	-	-	100%
		E77/2762	Granted	8/10/2021	-	-	100%
		E77/2766	Granted	8/10/2021	-	-	100%
	Marvel Loch - Airfield	E77/2621	Granted	5/09/2020	-	-	100%
		E77/2806	Granted	19/07/2022	-	-	100%
Burracoppin	E70/5693	Granted	11/05/2021	-	-	100%	
South West Region	Brunswick	E70/5599	Granted	26/07/2021	-	-	100%
		E70/5703	Granted	26/05/2021	-	-	100%
		E70/5513	Granted	23/02/2021	-	-	100%
		E70/5645	Granted	6/05/2021	-	-	100%
		E70/5660	Granted	28/04/2021	-	-	100%
	Kirup	E70/5452	Granted	31/03/2023	70%*	-	70%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted	21/04/2020	-	-	100%
		E28/3029	Granted	10/03/2021	-	--	100%
Coolgardie Region	Boorabbin North	E15/1819	Granted	27/01/2022	-	-	100%

* The Company acquired 70% of the Lithium and related minerals.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KULA GOLD LIMITED

ABN

83 126 741 259

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(433)	(433)
(b) development	-	-
(c) production	-	-
(d) staff costs	(192)	(192)
(e) administration and corporate costs	(85)	(85)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	389	389
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(321)	(321)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(1)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1)	(1)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,764	1,764
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(321)	(321)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,442	1,442

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,412	1,412
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,442	1,422

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(64)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(321)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(321)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,442
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,442
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.49
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:24 April 2023.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.