



## ASX Announcement & Media Release

### Quarterly Activity Report for the Period Ending 31 March 2022

**ACN:** 126 741 259

**Date:** 22 April 2022

**ASX Code:** KGD

**Board of Directors:**

Mark Stowell (Chairman)

Mark Bojanjac

John Hannaford

Simon Adams

**Shares on Issue:**

215,175,632 Ordinary Shares

**Cash (Q1/2022):**

\$1.1 Million

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[www.kulagold.com.au](http://www.kulagold.com.au)



@KulaGold

### Highlights-Southern Cross Region:

#### *Boomerang -Kaolin and Gold*

- RC and diamond drilling at the Boomerang Kaolin Prospect for resource and metallurgical test work completed
- RC holes drilled deeper for underlying gold targets
- Sedgman appointed to manage the metallurgical test work
- HGMC appointed to complete resource estimation

#### *Rankin Dome- Lithium*

- First pass Auger program identified Lithium cluster co-incident with magnetic feature over initial 1.5km extent
- Second pass Auger program completed with results pending

#### *Westonia Gold*

- First Pass Auger program completed with results pending

Kula Gold Limited (ASX:KGD) reports the quarterly activity report for the period ending 31 March 2022.

### Southern Cross Region (KGD 100%)

Kula has continued its active drilling and exploration work in the Southern Cross Region during Q1 2022. The Company has completed reverse circulation (RC) and diamond drilling programs at Marvel Loch-Airfield, as well as geochemical sampling (including auger drilling) at both the Rankin Dome and Westonia Projects.

#### ***Boomerang Kaolin Prospect***

RC and Diamond drilling was completed in March 2021 with diamond drill core for SG (Specific Gravity) and metallurgical test work sent to the Bureau Veritas laboratory and the process is being managed by Sedgman.

Reported ASX: 22 March 2022

[Diamond drilling for resource estimation nearing completion at Boomerang Kaolin Prospect – KulaGold](#)

[RC Drilling of the Boomerang Kaolin Prospect resumes in New Year – KulaGold](#)

Kula has commenced business planning including evaluating a variety of products that may be able to be produced.



***Diamond Drilling in progress at the Boomerang Kaolin Prospect***

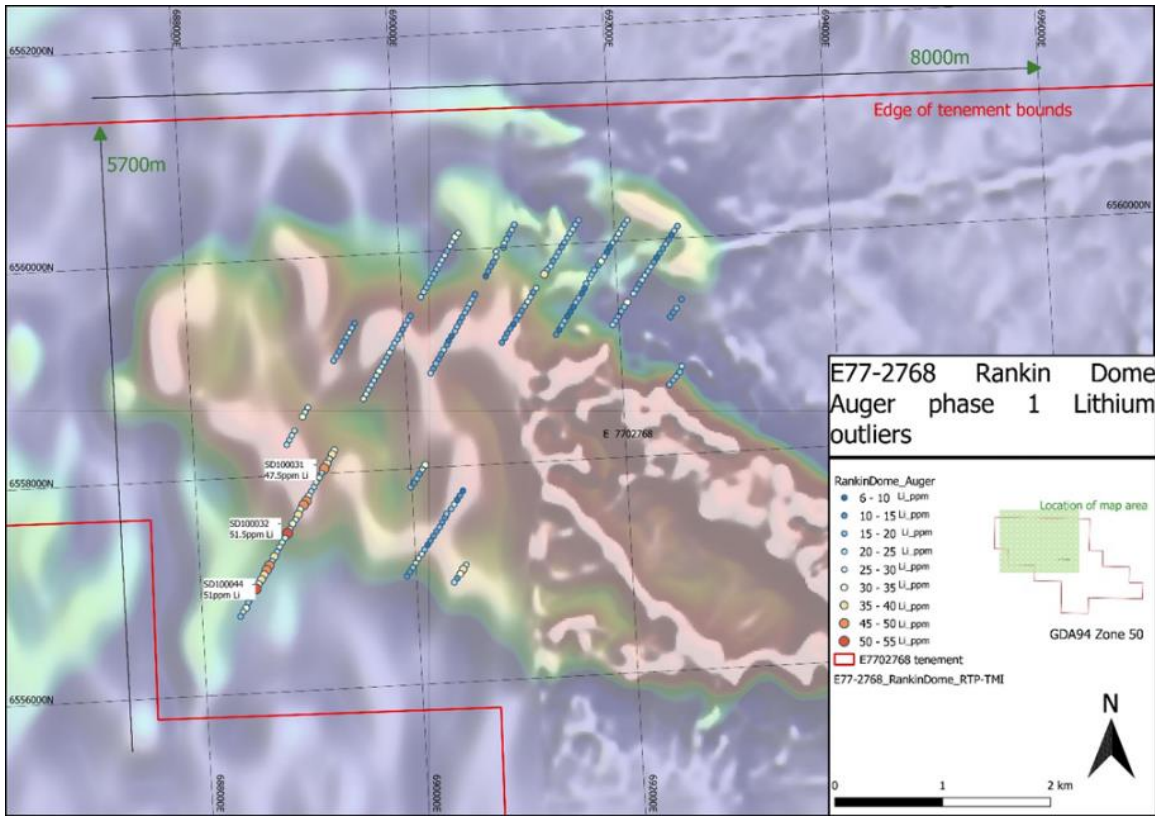
***Rankin Dome Project***

First pass Auger drilling identified a Lithium cluster co-incident with magnetic feature over initial 1.5km extent. A second pass Auger program was completed in January 2022 with results pending.

Reported ASX: 3 February 2022.

[Auger drilling identifies anomalous Lithium results at Rankin Dome Project – KulaGold](#)

Kula’s Rankin Dome tenement is located approximately 130km NW of the world class Mt Holland Lithium mine in the same terrain of the Yilgarn Province. It is a joint venture between subsidiaries of Sociedad Química y Minera de Chile S.A. (SQM) and Wesfarmers Limited to develop and operate the Mount Holland Lithium Project, which will be a unique, fully integrated producer of battery quality lithium hydroxide in Western Australia.



**Auger geochemistry results (Lithium) with regional mag underlying on E77/2768, showing Lithium results in the SW line of auger drilling**

The lithium auger geochem results cover an approximate 1.5km extent that remains open in all directions.

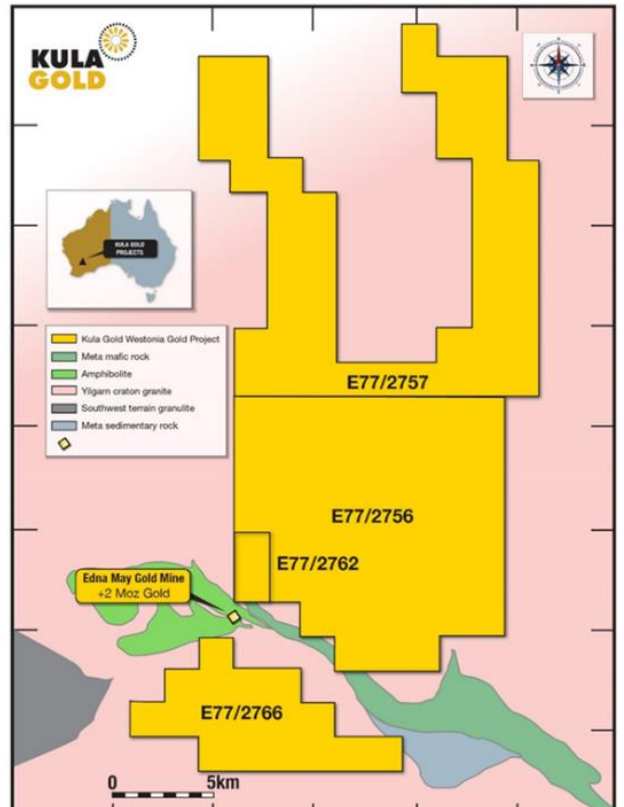
No of points	Min ppm	Max ppm	Mean ppm	Median ppm	Std Dev ppm
232	6	51.5	20.45	18.75	8.84

**Table 1 Statistics of the Lithium geochemistry results at the Rankin Dome Project**

**Westonia Project**

A first pass Auger geochemical sampling program was completed over E77/2766 - location shown in the map below, close to the Edna May Gold mine which has a rich history of gold production. Results of the exploration work are pending.

[Southern Cross Projects – KulaGold](#)



**Westonia Project Tenement's**

## Corporate

Payments to Related parties during the quarter totaled \$58,912 which was made up of director's fees, consulting fees, equipment rental and rent.

### Authorised for release By order of the Board

#### For Further Information, Contact:

Luke Abbott – Company Secretary

T: +61 8 6144 0592

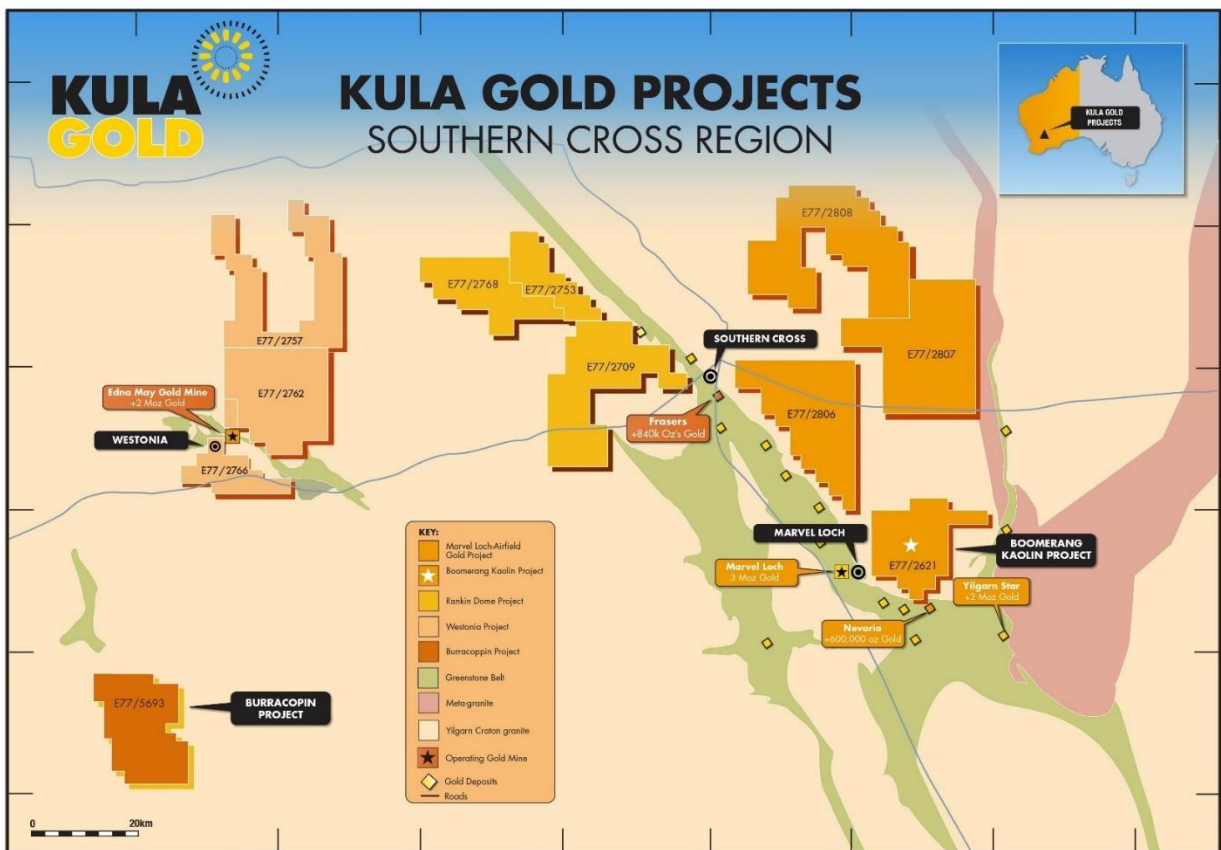
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[www.kulagold.com.au](http://www.kulagold.com.au)

#### 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 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.



## 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	5/09/2021			100%
		E77/2806	Pending				100%
		E77/2807	Pending				100%
E77/2808		Pending				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%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted	21/04/2020			100%
		E28/3029	Granted	10/03/2021			100%
		E28/3137	Pending				100%
	Boorabbin North	E15/1819	Granted	27/01/2022			100%

## 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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(930)	(930)
(b) development		
(c) production		
(d) staff costs	(20)	(20)
(e) administration and corporate costs	(75)	(75)
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		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,025)</b>	<b>(1,025)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

## 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
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>NIL</b>	<b>NIL</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>NIL</b>	<b>NIL</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,128	2,128
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,025)	(1,025)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,103</b>	<b>1,103</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,073	2,098
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,103</b>	<b>2,128</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(59)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,025)
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)	(1,025)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,103
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	1,103
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.08
<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: The company has reduced its level of discretionary exploration expenditure for cash reserves to cover at least the next two quarters.	
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: No	

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

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: The Company believes that it is able to continue its current operations and business objectives for the reasons outlined in question 1.

*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.*

**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: .....22/04/2022.....

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

**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.