Prospectus

Kula Gold Limited

ACN 126 741 259

For a non-renounceable pro rata offer to Eligible Shareholders of approximately 53.8 million New Shares at an issue price of $0.02 per New Share on the basis of one (1) New Share for every four (4) Existing Shares held by an Eligible Shareholder to raise up to approximately $1.08 million before issue costs.

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares.

ASX Code: KGD

The Directors have agreed to take up their Entitlement and Chairman Mark Stowell has partially underwritten the Offer, collectively raising $280,300.

This Prospectus provides important information about the Company. You should read the entire Prospectus including your personalised Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 5 August 2022 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the securities offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 3 months after the date of this Prospectus.

Nature of this Prospectus

The New Securities which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.kulagold.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.17 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please contact the Company Secretary on +61 8 6144 0592 or +61 466 319 424. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Mark Stowell	Chairman
Simon Adams	Non-Executive Director
Mark Bojanjac	Non- Executive Director
John Hannaford	Non- Executive Director

Company Secretary

Keith Bowker

Website www.kulagold.com.au

Registered Office

Suite 2, 20 Howard Street
Perth WA 6000
Tel: +61 8 6144 0592
Email: cosec@kulagold.com.au

Share Registry*

Link Market Services Limited
Tel: 1300 554 474
Web: www.linkmarketservices.com.au

Auditor*

Elderton Audit Pty Ltd

Solicitor to the Offer

Atkinson Corporate Lawyers

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date – Shares trade ex Entitlement (**Ex Date**)	9 August 2022
Record date to determine Entitlement (**Record Date**)	10 August 2022
Prospectus with Entitlement and Acceptance Form dispatched	15 August 2022
Offer opens for receipt of Applications	15 August 2022
Closing date for acceptances under the Offer	29 August 2022
New Shares quoted on a deferred settlement basis	30 August 2022
Announcement of results of the Offer	5 September 2022
Issue of New Shares	5 September 2022
Normal trading of New Shares expected to commence	6 September 2022
Last date to issue Shortfall Shares (see section 8.6)	29 November 2022

Note: The timetable is indicative and may change, subject to the Corporations Act and Listing Rules.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

	Committed Amount	Full Subscription
Shares currently on issue[1]	215,175,632	215,175,632
New Shares offered under this Prospectus	14,015,016	53,793,908
Total Shares on issue following the Offer	229,190,648	268,969,540
Convertible securities on issue	6,325,000	6,325,000
Amount raised under this Prospectus (before costs)[1]	$280,300	$1,075,878

1. This assumes no further Shares are issued prior to the Record Date.

3 CHAIRMAN'S LETTER

Dear Shareholders

On behalf of Kula Gold Limited (**Company**), I am pleased to invite you to participate in a non-renounceable pro rata offer available to Eligible Shareholders on the basis of one (1) New Share for every four (4) Shares held at an issue price of $0.02 per New Share to raise approximately $1.08 million (**Offer**). Approximately 50% of the proceeds from the Entitlement Offer will be used to commence commercialisation studies on the recently announced 93.3mt maiden JORC Resource at the Boomerang Kaolin Project.

The issue price represents a 31.30% discount to the 5 day volume weighted average price (VWAP), a 30.84% discount to the 10 day VWAP and a 19.49% discount to the 30 day VWAP for shares in the Company last traded on ASX on 29 July 2022.

The Directors have each agreed to take up their full Entitlement and I will also partially underwrite the Offer for an additional 5m New Shares, collectively totalling $280,300.

Taylor Collison has been appointed to place any Shortfall Shares on a best endeavours basis.

Shareholders have the opportunity to apply for additional Shares, in excess of their Entitlement.

The risks associated with the Offer are detailed in section 6 and include risks ordinarily associated with a junior exploration company, including exploration risks, funding risks and share market and commodity risks.

On behalf of your Directors, I invite you to consider this investment opportunity as the Company embarks on its growth strategy.

Yours sincerely

Mr Mark Stowell
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information
What is the Offer?	One (1) New Share for every four (4) Existing Shares held on the Record Date an issue price of $0.02. Eligible Shareholders may also apply for Shortfall in excess of their Entitlement. The Offer seeks to issue up to approximately 53.8 million New Shares to raise up to approximately $1.08 million (before costs). The Directors have each agreed to take up their Entitlement and Chairman Mark Stowell has agreed to partially underwrite the Offer for an additional 5m New Shares, collectively totalling $280,300. Taylor Collison has been appointed to place any Shortfall Shares on a best efforts basis.	Section 8
Am I an Eligible Shareholder?	The Offer is made to Eligible Shareholders, being Shareholders who: (a) are the registered holders of Shares as at 7.00pm (AEST) on the Record Date; and (b) have a registered address in Australia or New Zealand.	Section 8.5
How will the proceeds of the Offer and fund on hand be used?	Approximately 50% of the proceeds from the Entitlement Offer will be used to commence commercialisation studies on the recently announced 93.3mt maiden JORC Resource at the Boomerang Kaolin Project, and the balance for exploration work at the Company's other emerging base metal projects and for general working capital. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions, and the Company reserves the right to vary the way funds are applied.	Section 5.2
What are the key risks of a subscription	An investment in the Company has risks that you should consider before making a decision to invest. These risks include:	Section 6

Question	Response	Where to find more information
under the Offer?	• funding risk – there is risk that the Company may need to reduce its exploration program and/or farm-out/relinquish some of its projects. This will have an adverse effect on the Company. • exploration risk – Exploration for economic mineral deposits is inherently risky – the Company does not guarantee it will discover an economic mineral deposit. • commodity and market risk – the Company's share price and future prospects are, to a significant extent, dependent on favourable commodity prices and securities markets; both of which are outside the Company's control. • requirement for capital – the Company currently does not generate material revenue, and currently is reliant upon raising capital to fund its business activities. Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.	
Is the Offer underwritten?	Yes, the Directors have agreed to each take up their Entitlement and Chairman Mark Stowell has agreed to partially underwrite the Offer for an additional 5m New Shares, collectively totalling $280,300. Mr Stowell will not be paid any fee.	Section 8.4
Is the Offer subject to any conditions?	No, although the Company reserves the right to withdraw the Offer.	Section 8.2
What will be the effect of the Offer on control of the Company?	There will be no effect on control of the Company as a result of the Offer.	Section 5.5
How do I apply for New Shares and Shortfall	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with	Section 7.2

Question	Response	Where to find more information
Shares under the Offer?	payment by cheque, or BPAY in the amount of Entitlement and Shortfall Shares applied for.	
Can I sell my Entitlements under the Offer?	No, the Offer is non-renounceable meaning Entitlement may not be transferred.	Section 7.4
How will the Shortfall Shares be allocated?	The Directors reserve the right to, in conjunction with Taylor Collison, place any Shortfall Shares at their discretion within 3 months of the Closing Date. Eligible Shareholders may apply for Shortfall Shares.	Section 8.6
How can I obtain further advice?	Contact the Company Secretary by email on cosec@kulagold.com.au or +61 466 319 424. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately $1.08 million before issue costs under the Offer at a price of $0.02 per New Share on the basis of one (1) New Share for every four (4) Existing Shares held as at the Record Date.

Shareholders may, in addition to their Entitlement apply for Shortfall Shares.

The Directors have each agreed to take up their Entitlement and Chairman Mark Stowell has agreed to partially underwrite the Offer for an additional 5m New Shares, collectively totaling $280,300. Taylor Collison have agreed to place any Shortfall Shares on a best efforts basis.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds ($) (approx.)[1]	Committed Amount	Full Subscription
Commence commercialization studies on the recently announced 93.3mt maiden JORC Resource at the Boomerang Kaolin Project	125,000	500,000
Exploration works at the Company's other emerging based metal projects in particular Westonia, Marvel Loch and Donnybrook	125,000	500,000
General working capital	30,300	75,878
Total use of funds	280,300	1,075,878

Notes:

1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions and the Company reserves the right to vary the way funds are applied.

5.3 Statement of financial position

Set out in section 13 is the unaudited Statement of Financial Position of the Company as at 30 June 2022 and the Pro-Forma Statement of Financial Position as at 30 June 2022, on the basis of the following assumptions:

(a) the Offer was effective on 30 June 2022;

(b) the Committed Amount and Full Subscription are raised;

(c) no further Shares are issued other than all Shares offered under this Prospectus or as set out in this section;

(d) costs of the Offer are $67,500.

The Pro-Forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 13. The pro-forma financial information is unaudited and presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

5.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	Committed Amount		Full Subscription	
	Number	%	Number	%
Shares on issue	215,175,632	93.89	215,175,632	80
New Shares offered under this Prospectus	14,015,016	6.11	53,793,908	20
Total Shares	229,190,648	100	268,969,540	100
Total Options	6,325,000		6,325,000	

5.5 Effect on control

Chairman Mark Stowell has agreed to partially underwrite the Offer for an additional 5m New Shares. Mr Stowell currently holds 8.4% of the Company's issued Shares. No person will acquire 20% or more of the Company's issued Shares as a result of the Offer.

5.6 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	215,175,632	100%	53,793,908	215,175,632	80%

6 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Company specific risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the future operating and financial performance of the Company. These risks can impact on the value of an investment in the securities of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

(a) Exploration Risks

The Company will commence commercialisation studies on the 100% owned Boomerang Kaolin Project. There is a risk that these studies determine that the 93.3mt JORC resource is not economically viable or the Company cannot determine a market for the product.

Exploration carries significant risks, and there is no certainty that the project will prove to be feasible.

(b) Funding Risks

Approximately 50% of the proceeds from the Entitlement Offer will be used to commence commercialization studies on the recently announced 93.3mt maiden JORC Resource at the Boomerang Kaolin Project. There is a risk that the Company may not have sufficient funds to meaningfully advance the study and may be required to raise further funds to do so.

(c) Going Concern Risk

The Company's 2021 financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. For the year ended 31 December 2021, the Company incurred net cash outflows of $1,395,255 (2020: net cash outflows of $649,471).

Whilst the Directors believe that it is reasonably foreseeable that the Company and Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of applicable factors, there is a risk that the factors may not eventuate.

(d) Regulation Risk

The Company's main projects are located in the Southern Cross region of Western Australia.

There is a risk that the necessary land acquisitions, permits, certificates, consents, authorisations and agreements required to implement future exploration and project development may not be obtained under conditions or within time frames that make such plans economic.

(e) Operating Risk

The operations of the Company may be affected by various factors outside its control. Funds raised under the Offer are primarily intended to be used for commercialisation studies on the Boomerang Kaolin Project.

The operations of the Company may be affected by failure to realise an economic opportunity for the Boomerang Kaolin Project, meet all the requirements to obtain the necessary mining licences including satisfying environment factors and water rights.

These risks and hazards could also result in damage to or destruction of property, plant and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. The Company may become subject to liability for accidents, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits.

No assurances can be given that the Company will achieve commercial viability through exploration success and exploitation of its projects and, until the Company is able to realise value from its projects, it is likely to incur ongoing operational losses.

(f) Sovereign Risk

The Company operates in the State of Western Australia and given this has low sovereign risk.

(g) Government Policies and Legislation Risk

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project, projects or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration, development, and operating activities.

(h) Commodity Price and Exchange Rate Risk

The Company's projects are prospective for kaolin and many base metals such as gold, nickel and platinum.

The market price of these commodities fluctuates and is affected by numerous factors beyond the control of the Company. These factors include current and

expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates. Fluctuations in commodity prices may impact on the commercial attractiveness or viability of the Company's projects.

Furthermore, the international prices of most commodities are denominated in United States dollars and the Company's cost base will be in Australian dollars. Consequently, changes in these exchange rates may impact on the expenditure of the Company and the Company's purchasing capacity. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(i) Environmental Risk

The Company's activities are expected to have some impact on the environment, particularly if mine development occurs in the future. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company will, in future, require additional approval from authorities before it can undertake mining activities that will impact the environment. Failure to obtain such approvals may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws and regulations would materially increase the Company's costs of doing business or affect its operations in any area.

6.2 Industry Risk

(a) Mining and Exploration Risk

The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, inter alia, on successful exploration and/or acquisition of reserves, securing and maintaining title to concessions and tenements, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop reserves. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect.

No assurance can be given that commercial tonnages, grades or recovery will be achieved or realised. Commodity price fluctuations, increased production costs, or reduced recovery rates, may render possible reserves containing relatively lower

grades uneconomic and may result in a restatement of such reserves. Moreover, short-term operating factors relating to possible reserves, such as sequential development of ore bodies and processing of new or different ore types or grades, may cause mining operations to be unprofitable in any particular accounting period.

There is a risk that unforeseen geological and geotechnical difficulties may be encountered if and when developing and mining reserves. In this event, a loss of revenue may be caused by lower than expected production and/or higher than anticipated operation and maintenance costs, and/or on-going unplanned capital expenditure in order to meet production targets.

(b) Title

The Company's mining exploration activities are dependent on the grant, or as the case may be, the maintenance of appropriate licences, which may be withdrawn or made subject to limitations. The granting of licence, maintaining of licence or obtaining renewals, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licences, concessions, tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(c) Results of Studies

Subject to the results of future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current or new projects. These studies may include pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the Company's current or new projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's current or new projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's current or new projects, there can be no guarantee that the current or new projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences including but not limited to operation costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(d) Metallurgy

Metal or mineral recoveries are dependent upon the metallurgical process, and by its nature processing contains elements of significant risk such as:

(i) identifying a metallurgical process through test work to produce a saleable metal or concentrate;

(ii) developing an economic process route to produce a metal or concentrate; and

(iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that a mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

(e) Economic and Government Risks

The future viability of the Company is also dependent on a number of other factors affecting the performance of all industries, not just the exploration and mining industries. These factors include, but are not limited to:

(i) Changes in government policies, taxation and other laws.

(ii) The strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector.

(iii) Movement in, or outlook on, interest rates and inflation rates.

(iv) Natural disasters.

Industry profitability can be affected by changes in government within Australia and other jurisdictions, which are outside the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the exploration for and mining of minerals, but also the possible effects of such activities upon the environment. Permits from regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in development of the Company's tenements, the extent of which cannot be predicted.

(f) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their involvement with the Company.

(g) Insurance

Insurance of all risks associated with exploration or project development is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage

to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company seeks to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, insurance will not always be available or cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

6.3 General Risk

(a) Securities investments

There are risks associated with any securities investment. The prices at which the Company's securities trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Company's securities regardless of the Company's operational performance.

(b) Share Market Conditions

Share market conditions may affect the price of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including but not limited to the following:

(i) General economic outlook.

(ii) Interest rate and inflation rates.

(iii) Currency fluctuations.

(iv) Mineral price fluctuations.

(v) Changes in investor sentiment toward particular market sectors and the domicile of projects.

(vi) The demand for, and supply of, capital.

(vii) Terrorism or other hostilities.

(viii) Other factors beyond the control of the Company.

The market price of the Company's securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general

and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates, exchange rates and the rate of inflation.

(d) Competition Risk

The Company will compete with other companies, including other mineral exploration and mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

6.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Securities offered under the Prospectus.

The Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

(a) subscribe for all or part of your Entitlement (see section 7.2);

(b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 7.3);

(c) allow all or part of your Entitlement to lapse (see section 7.7).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.6 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

7.4 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.5 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 7.00pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 7.00pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Kula Gold Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at $0.02 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following addresses by no later than 7.00pm (AEST) on the Closing Date:

By Post to:
Kula Gold Limited c/- Link Market Services Limited GPO Box 3560 SYDNEY NSW 2001

7.6 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

(a) agree to be bound by the terms of the Offer;

(b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;

(c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

(d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;

(e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and either:

(i) you are not in the United States or a US Person, or acting for the account or benefit of a US Person, or

(ii) your circumstances are such that the Offer cannot lawfully be made to you;

(f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and

(g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders on the basis of one (1) New Share for every four (4) Existing Shares held as at the Record Date at a price of $0.02 per New Share to raise up to approximately $1.08 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders, being holders of Shares with a registered address in Australia or New Zealand. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder, or to withdraw the Offer at any time (in which case application monies received will be returned without interest).

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 Minimum subscription

The Offer is not subject to a minimum subscription.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to (subject to the Corporations Act and Listing Rules) extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

Chairman Mark Stowell has agreed to, in addition to taking up his Entitlement, partially underwrite the Offer for an additional 5m New Shares. Mr Stowell may only be relieved of his commitment if the Offer is withdrawn. Mr Stowell will not be paid any fee.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

(a) are the registered holder of Shares as at 7.00pm (AEST) on the Record Date; and

(b) have a registered address in Australia or New Zealand.

8.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right, in conjunction with Taylor Collison, to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Shortfall Shares will be issued at the discretion of Taylor Collison and the Directors, taking the following allocation policy into account:

(a) where the Directors consider it is in the best interest of the Company to allocate any portion of the Shortfall Shares to a particular applicant or to particular applicants in order to maximise the total funds raised from the Offer, the Directors may do so;

(b) the Directors will generally endeavour to allocate the Shortfall Shares in a manner which is fair to applicants;

(c) the Directors will not allocate or issue Shortfall Shares, where it is aware that to do so would result in a breach of the Corporation Act 2001 (Cth), the ASX Listing Rules or any other relevant legislation or law;

(d) applications for Shortfall Shares may be scaled back at the Directors' discretion; and

(e) the Directors may reject any application for Shortfall Shares or allocate fewer Shortfall Shares than applied for by applicants, in which case any excess application money will be refunded without interest.

8.7 New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

8.8 Treatment of Ineligible Shareholders

Given the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States or elsewhere where it would be unlawful to do so.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.9 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 5 September 2022 and normal trading of the New Shares on ASX is expected to commence on 6 September 2022.

All application monies will be deposited into a bank account separate to the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus (together the **Offered Securities**) on ASX. If ASX does not grant permission for the quotation of the Offered Securities within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the Offered Securities offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Offered Securities.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the Offered Securities are dispatched.

8.12 Market prices of existing Shares on ASX

The highest and lowest market sale price of the existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price ($)	$0.048	$0.019	$0.029
Date	4 May 2022	30 June 2022	4 August 2022

8.13 CHESS

The Company participates in the Clearing House Electronic Sub register System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Eligible Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Eligible Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Eligible Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Eligible Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholders (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer should be directed to the Company Secretary at cosec@kulagold.com.au or +61 466 319 424

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to New Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution which is available at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Payment of Dividend

Subject to the Corporations Act, the Constitution and the rights of any persons entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment of the dividend and authorise the payment or crediting of the dividend by the Company to, or at the direction of, each Shareholder entitled to that dividend. No dividend shall carry interest as against the Company.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to the Constitution and to any restrictions attached to a Share, a Shareholder may transfer any of the Shareholder's Shares by:

(i) a proper ASTC transfer;

(ii) a written transfer in any usual form or in any other form approved by the Directors; or

(iii) any other electronic system established or recognised by the Listing Rules.

(f) Future increase in capital

The allotment and issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) Variation of rights

Under Section 2468 of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Changes to Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(i) Meetings and Notices

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations and the Listing Rules.

(j) Dividend Policy

The Company does not intend to declare or pay any dividends in the foreseeable future. Any future determination as to payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 31 December 2021 to the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

(a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and

(b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

  (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

  (ii) the rights and liabilities attaching to New Shares.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

  (i) the annual financial statements of the Company for the financial year ended 31 December 2021 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and

  (ii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

  Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2021 annual report was lodged with the ASX on 31 March 2022:

Date	Description of Announcement
3 Aug 2022	Proposed issue of securities - KGD
3 Aug 2022	Non-Renounceable Issue
1 Aug 2022	Trading Halt
29 Jul 2022	Quarterly Activities/Appendix 5B Cash Flow Report
20 Jul 2022	Boomerang Kaolin - Presentation
20 Jul 2022	Boomerang Kaolin Project - Maiden JORC Resource 93.3mt
19 Jul 2022	Notification regarding unquoted securities - KGD
19 Jul 2022	Notification of cessation of securities - KGD
15 Jul 2022	Rankin Dome Rare Earth Element Update- Southern Cross Region
4 Jul 2022	Rock Samples up to 7.95g/t Gold at the Donnybrook Prospect
24 Jun 2022	Appendix 4G & Corporate Governance Statement
20 Jun 2022	High Quality Kaolin Drilling Results - Boomerang Prospect
17 Jun 2022	Company Secretary Appointment/Resignation
27 May 2022	ANNUAL GENERAL MEETING RESULTS
27 May 2022	AGM Presentation
13 May 2022	Rankin Dome Rare Earths Results- Southern Cross Region
11 May 2022	New Hippy Lady Prospect Identified at the Brunswick Project
27 Apr 2022	Notice of Annual General Meeting/Proxy Form
22 Apr 2022	Quarterly Activities/Appendix 5B Cash Flow Report
7 Apr 2022	EM Surveying Underway at the Brunswick Ni-PGE Li Project

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at the ASX during normal office hours or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and are entitled to be paid the following annual remuneration as set out below.

	Mark Stowell[1]	Simon Adams	Mark Bojanjac	John Hannaford
Annual Remuneration	65,000	42,000	30,000	33,000
Shares	18,072,982	774,997	3,000,000	14,212,091
Entitlement (New Shares)[2]	4,518,245	193,749	750,000	3,553,022

1 Mr Stowell has agreed to partially underwrite the Offer for an additional 5m New Shares, conditional only upon the Offer not being withdrawn. Mr Stowell will not be paid any fee for his commitment. The Directors other than Mr Stowell have determined that the financial benefit received by Mr Stowell as a result of the underwriting are reasonable in the circumstances so that shareholder approval is not required under Chapter 2E of the Corporations Act.

2 The Directors have each agreed to take up their Entitlement.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company; or

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or

(e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately $10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has received approximately $11,500, fees for services to the Company (inclusive of GST) in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

(a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:

  (i) to be named in the Prospectus in the form and context which it is named; and

  (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;

(b) has not caused or authorised the issue of this Prospectus;

(c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;

(d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Atkinson Corporate Lawyers	Lawyer

10.5 Expenses of the Offer

The cash total expenses of the Offer are estimated to be up to $67,500 exclusive of GST, consisting of the following:

Cost $	Committed Amount	Full Subscription
Lead Manager	Nil	35,000
Legal fees	10,000	10,000
ASIC and ASX fees	7,500	7,500
Printing, postage & other	15,000	15,000
Total	32,500	67,500

Notes:

1 Taylor Collison has agreed to place the Shortfall Shares on a best efforts basis. Taylor Collison will be paid 6% on any Shortfall Shares it places. This table assumes that, under Full Subscription, the lead manager places 29,166,650 Shortfall Shares to raise $583,333. See section 8.4 for details.

10.6 Litigation

As at the date of this Prospectus and other than as disclosed to ASX, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 5 August 2022

.....

Signed for and on behalf of Kula Gold Limited
By Mark Stowell
Chairman

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

$, A$ or Dollars	Australian dollars unless otherwise stated.
AEST	Australian Eastern Standard Time.
Agreed Claim	means a claim against, or a debt owed by, the Company which the Company has acknowledged in writing.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or **KGD**	Kula Gold Limited (ACN 126 741 259).
Committed Amount	means $280,300.
Constitution	the constitution of the Company.
Corporations Act	the *Corporations Act 2001* (Cth).
Director	a director of the Company.
Eligible Shareholders	a holder of Shares as at the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.

Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 7.00pm (AEST) on the Record Date.
Ineligible Shareholder	a holder of Shares on the Record Date who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Option	means an Option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	A fully paid ordinary share in the Company.
Share Registry	Link Market Services Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	has the meaning given in section 8.6.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the *United States Securities Act of 1933*, as amended.

13 PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

The unaudited balance sheet and the unaudited pro forma balance sheet for Kula Gold Limited ("the Company") as at 30 June 2022 have been prepared on the accounting policies normally adopted by the Company to reflect the changes to its financial position. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to financial reports.

Actual and proposed transactions to arrive at the pro-forma unaudited balance sheet:

(i) the issue of 14,015,016 New Shares at an issue price of $0.02 each to raise $280,300 before estimated costs of the issue of $32,500 (Committed Amount).

(ii) The issue of 53,793,908 New Shares at an issue price of $0.02 each to raise $1,075,878 before estimated costs of the issue of $67,500. (Fully Subscribed Offer).

	Note	Unaudited Actual 30 June 2022 $	(Committed) Unaudited Pro Forma 30 June 2022 $	(Fully Subscribed) Unaudited Pro Forma 30 June 2022 $
CURRENT ASSETS				
Cash and cash equivalents	**1**	513,146	760,946	1,521,524
Receivables and other assets		130,296	130,296	130,296
TOTAL CURRENT ASSETS		643,442	891,242	1,651,820
NON-CURRENT ASSETS				
Property, plant and equipment		59,079	59,079	59,079
Right of use assets		17,895	17,895	17,895
Exploration tenement		925,993	925,993	925,993
TOTAL NON-CURRENT ASSETS		1,002,967	1,002,967	1,002,967
TOTAL ASSETS		1,646,409	1,894,209	2,654,787
CURRENT LIABILITIES				
Trade and other payables		231,149	231,149	231,149
Provisions		2,520	2,520	2,520
Lease liability		17,895	17,895	17,895
TOTAL CURRENT LIABILITIES		251,564	251,564	251,564
NON_CURRENT LIABILITIES				
Provisions		31,000	31,000	31,000
Lease liability		1,645	1,645	1,645
TOTAL NON-CURRENT LIABILITIES		32,645	32,645	32,645
TOTAL LIABILITIES		284,209	284,209	284,209
NET ASSETS		**1,362,200**	**1,610,000**	**2,370,578**

EQUITY				
Share capital	**2**	152,838,508	153,086,308	153,846,886
Reserves		579,187	579,187	579,187
Accumulated losses		(152,055,495)	(152,055,495)	(152,055,495)
TOTAL EQUITY		**1,362,200**	**1,610,000**	**2,370,578**

Notes:

	Unaudited Actual 30 June 2022 $	**(Committed) Unaudited Pro Forma 30 June 2022 $**	**(Fully Subscribed) Unaudited Pro Forma 30 June 2022 $**
. **Cash and cash equivalents**			
Balance – 30 June 2022	513,146	513,146	513,146
Committed Amount (a)	-	280,300	-
Fully subscribed offer (b)	-	-	1,075,878
Costs of the issue (b)	-	(32,500)	(67,500)
	513,146	**760,946**	**1,521,524**
. **Share capital**			
Balance – 30 June 2022	152,838,508	152,838,508	152,838,508
14,015,016 New Shares at $0.02 (a)	-	280,300	-
53,793,908 New Shares at $0.02 (b)	-	-	1,075,878
Costs of the issue (b)	-	(32,500)	(64,500)
	152,838,508	**153,086,308**	**150,846,886**