



ASX Announcement & Media Release

Drilling Commenced at 'Eye' Structure - Westonia Nickel/PGE/Gold Project

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Drilling to test three high-priority intrusive targets at the Westonia Project near Edna May Gold Mine.

Highlights:

- Aircore and RC drilling being completed across a number of previously untested potential mafic and ultramafic 'eye structure' intrusive targets throughout the project taking advantage of cleared paddocks within the tenement.
- Airborne helicopter VTEM has defined 3 conductors at various channels and has generated drill targets coincident with PGE, Nickel, Copper and Gold soil anomalies.
- RC drilling may also test two possible bedrock conductors from plate modelling generated by the VTEM survey.
- The Westonia Project is adjacent to the operating Edna May Gold Mine.

Kula Gold Limited ("Kula" or "the Company") reports that the reconnaissance drilling has commenced at the helicopter VTEM and drone magnetic survey targets including the main 'eye' structure (Figure 2) at its 100% owned Westonia Project (Figure 1) located 5km from the Edna May Gold Mine.

Kula's Chief Executive Officer Ric Dawson said "We are excited to have commenced our reconnaissance drilling program on several exciting grass roots prospects at the Westonia Project adjacent to the ~2moz Edna May Gold Mine. Our team has developed a model to target and now it is time to test it over the coming weeks.

Being able to start testing this new area will give us a pipeline of targets for future drilling and let us focus on the key intrusive targets in and around the 'eye structure'. The combination of some very encouraging geochemistry and geophysics ranks these low resistive /high conductive polygons high on our priority list and we expect the drilling to be completed in mid-February. We look forward to sharing the outcomes of this work with our Shareholders once the assay results are returned. If positive, we will be able to get another drill program underway in April."

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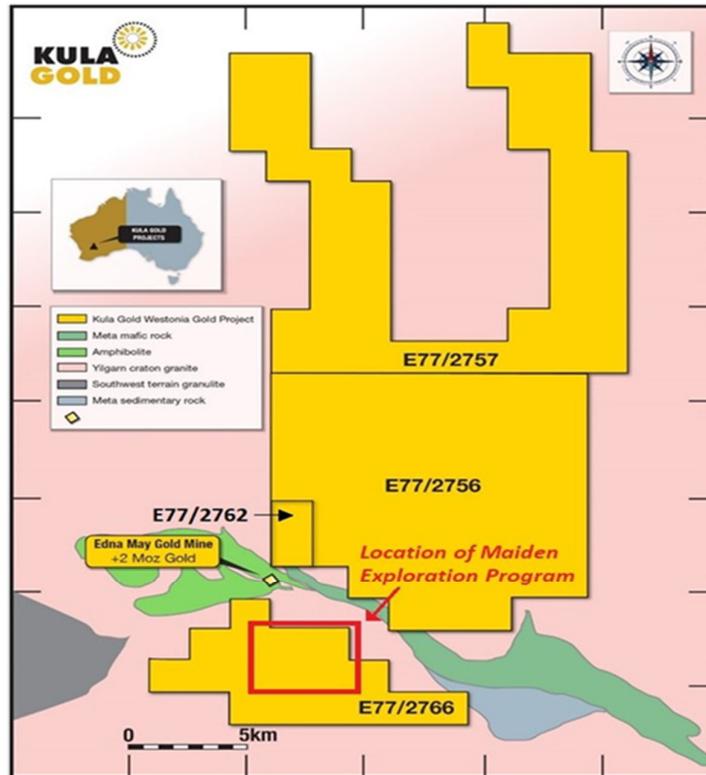


Figure 1: Location of the maiden exploration program, located less than 5km South of the Edna May Gold Mine.



Figure 2: Drilling in an open paddock

Helicopter VTEM

The Company engaged UTS Geophysics for the VTEM survey and following initial positive indications had an additional 30 line-kilometres completed to infill to 100m line spacing. Further modelling of EM data is in progress.

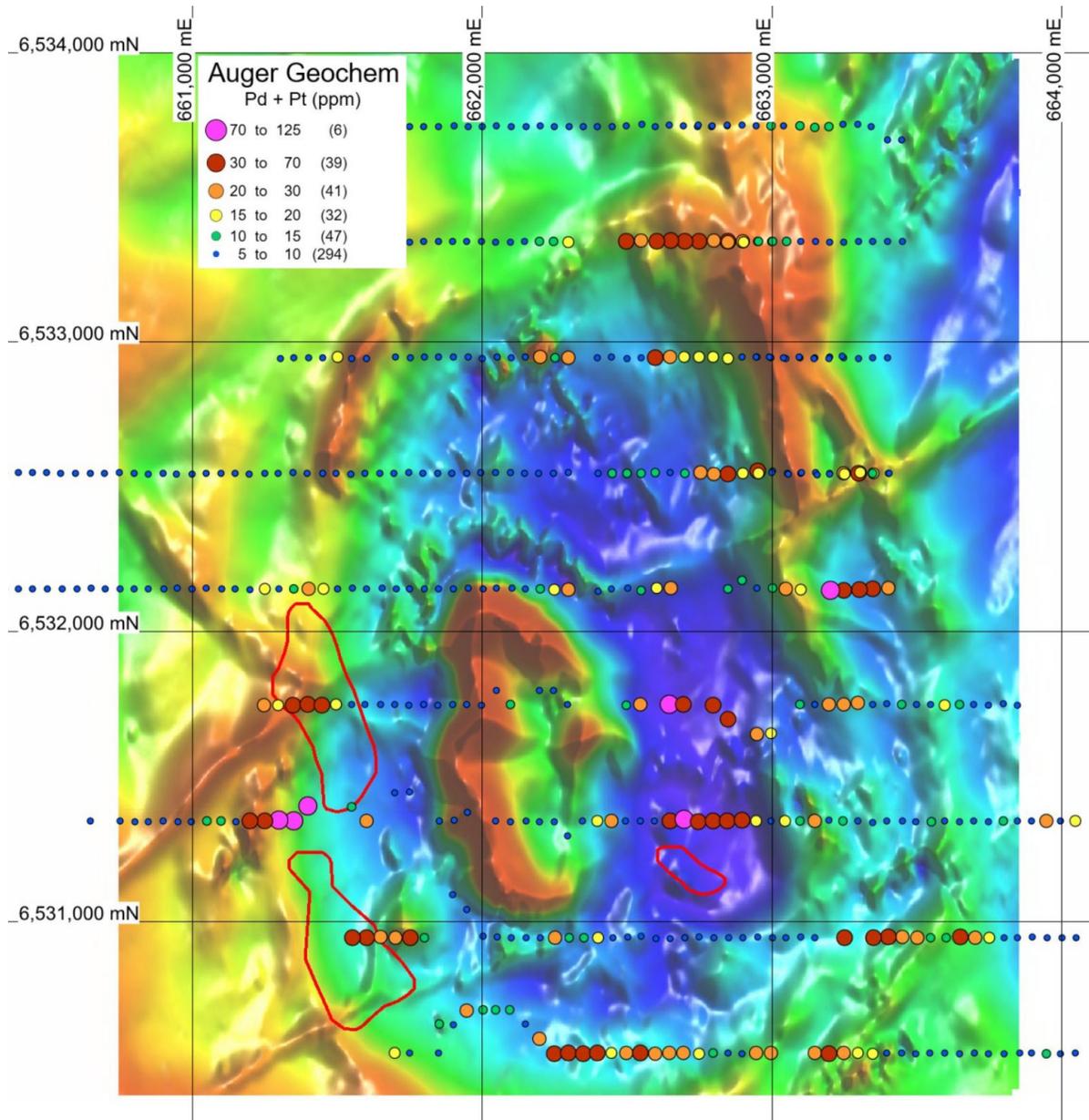


Figure 3: Combined magnetics RTP image with low resistive/high conductive areas (outlined in red polygon) with platinum and palladium auger geochemistry.

Drone Flown Magnetics

The Company engaged Atlas Geophysics to fly a 25m line spacing 25m height drone magnetic survey.

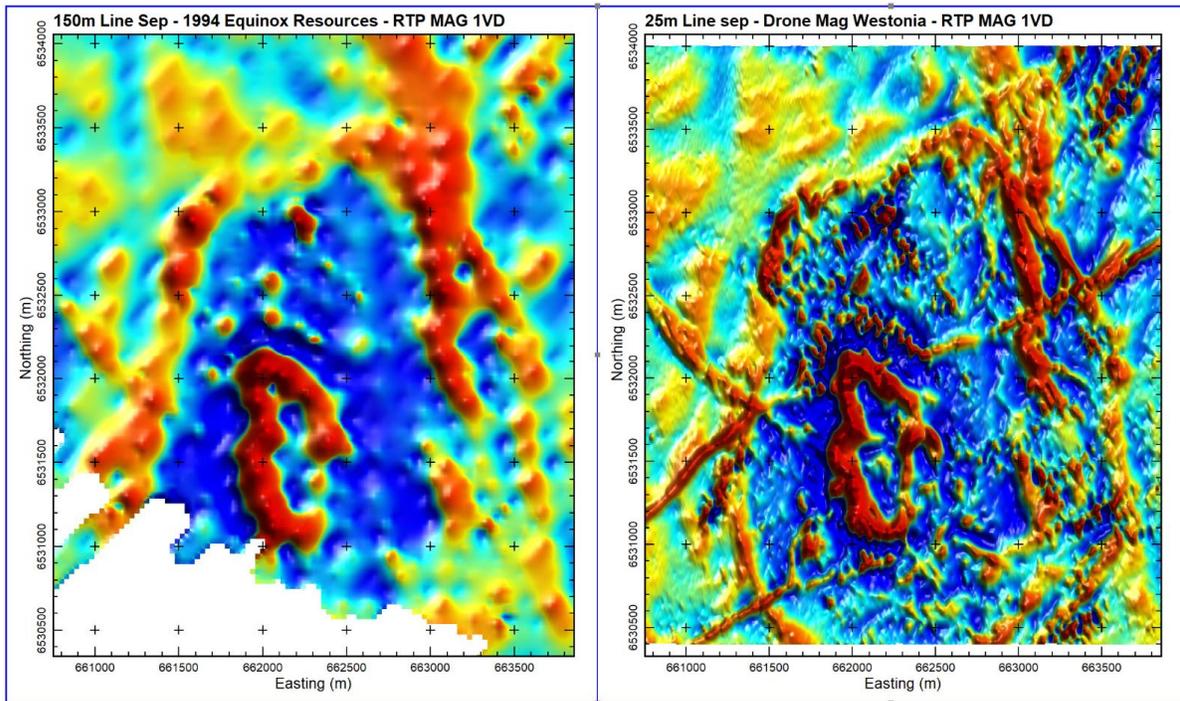


Figure 4: Drone magnetics 25m line spacing and 25m flight height providing an excellent high-resolution image of the Westonia eye (right image) over the previous 50m flight height and 150m line spacing regional public Magix version (left image).

Auger Drill Geochemistry

As previously reported on 30 August 2022, ([Maiden Exploration Program - Westonia Project](#)) the Company reported anomalous geochemical results to 125ppb Pt + Pd (combined) and up to 35ppb gold in geochemical auger sampling, as well as 1.85g/t gold in a quartz vein rock sample from a lateritic breakaway.

As well as anomalous copper reported on 28 October 2022, ([Amended - Anomalous Copper & PGE – Westonia Project](#)) with 498.3ppm copper anomalism, co-incident with magnetic structures and gossanous outcrop.

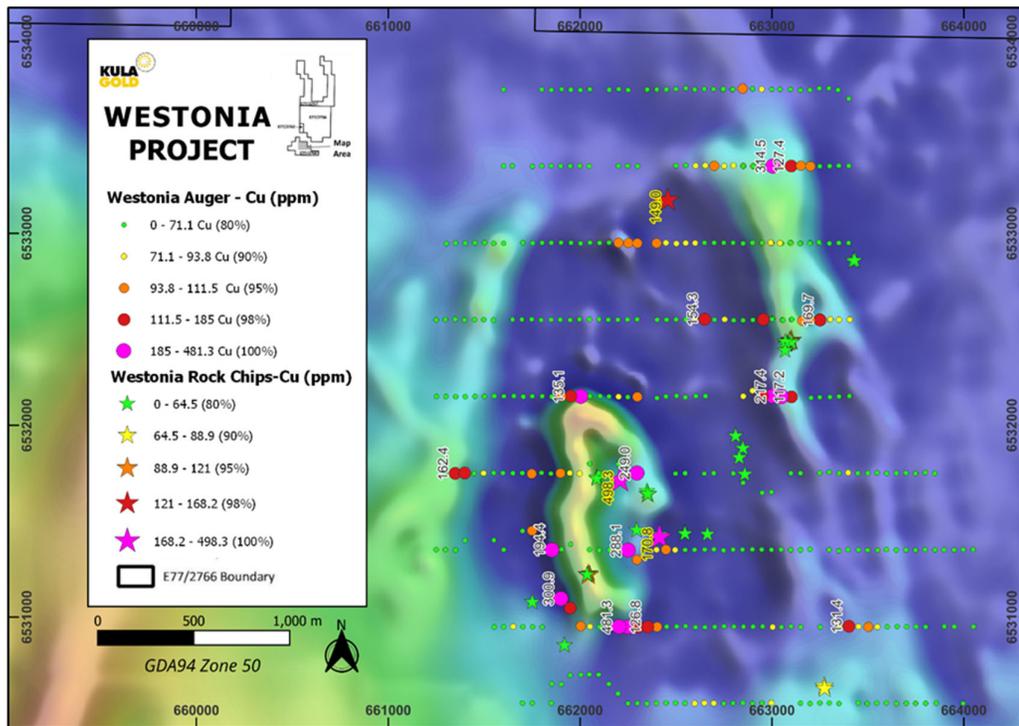


Figure 5: Anomalous copper in auger and rock chips

Upcoming Activities

Following on from producing an exploration target model, with these various overlapping exploration techniques, the Company has now commenced with drilling contractor Stark Drilling to proceed with a reconnaissance drill program to test the above anomalous areas. The Company will provide an ASX release upon ongoing operations of significance.

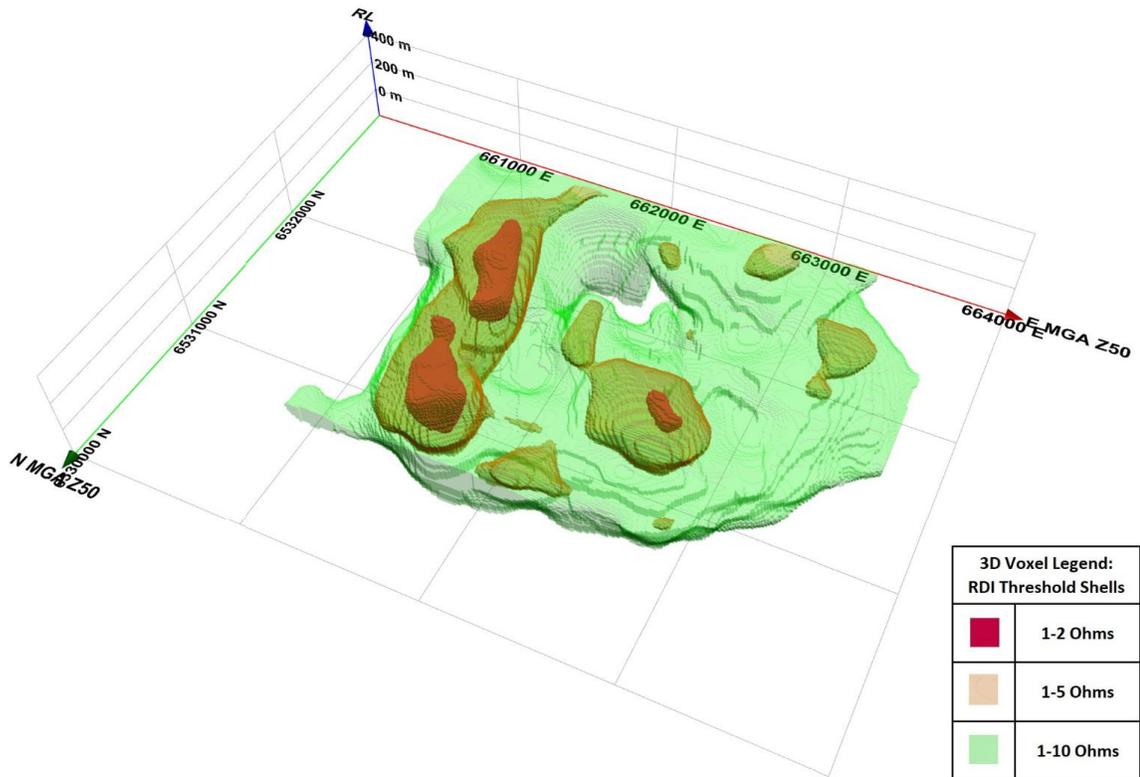


Figure 6: Resistivity image from the VTEM survey

	MGA Zone 50				Line Length (m)	Drill Direction	Dip	Hole move	total m	
	FROM		TO							
	Easting	Northing	Easting	Northing						
Line 1	661350	6531750	661600	6531750	250	90	-60	half hole depth	500	Max
Line 2	662000	6531750	662300	6531750	300	90	-60	half hole depth	600	Max
Line 3	661550	6530950	661800	6530950	250	90	-60	half hole depth	500	Max
Line 4	662800	6531175	662650	6531175	150	270	-60	half hole depth	300	Max
Line 5	662150	6532950	662250	6532950	100	90	-60	half hole depth	200	Max
				Total :	1050				Total :	2100

Table 1: Current planned drill program (subject to change)

By order of the Board

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Competent Person Statement- General

The information in this report that relates to geology and exploration is based on information compiled by Mr. Ric Dawson, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy. Mr. Dawson is a Geology and Exploration Consultant who has been engaged by Kula Gold Limited. Mr. Dawson has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Mr. Dawson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX A: JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data Westonia Project – VTEM Max and Drone Magnetism Geophysical Survey

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> The Airborne Electromagnetics, Versatile Time Domain Electromagnetics (VTEM) surveying was completed by UTS Geophysics PTY LTD, using the VTEM Max system in December 2022. Drone magnetism survey was completed by Atlas Geophysics to fly a 25m line spacing 25m height drone magnetic survey.
Drilling techniques	<ul style="list-style-type: none"> Not relevant- Geophysics survey Planned drilling will be aircore and RC.
Drill sample recovery	<ul style="list-style-type: none"> Not relevant- Geophysics survey
Logging	<ul style="list-style-type: none"> Not relevant- Geophysics survey
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Not relevant- Geophysics survey
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The details of the geophysical survey were outlined in the ASX Announcements of 30 November 2022 and 5 December 2022. All digital data was inspected daily by the UTS Geophysics site crew and the Company's consultant geophysicist. The Company received daily reports on production and of any equipment issues. The data was reviewed by the Company's consultant geophysicist and lines re-flown if there were any issues. The data presented here is final data and has undergone processing/levelling by UTS Geophysics. The Company's consultant geophysicist has completed QA/QC of the data and advised that it is suitable for public domain release.
Verification of sampling and assaying	<ul style="list-style-type: none"> Not relevant- Geophysics survey
Location of data points	<ul style="list-style-type: none"> Coordinates were collected in GDA94 Zone 50 and reported as such.
Data spacing and distribution	<ul style="list-style-type: none"> VTEM survey -Initial line spacing 200m apart but subsequent infill lines were 100m spacing. Drone magnetism were spaced 25m apart.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> VTEM Flight lines were approximately perpendicular to currently interpreted geological strike.
Sample security	<ul style="list-style-type: none"> Not relevant- Geophysics survey
Audits or reviews	<ul style="list-style-type: none"> Results have been reviewed independently by KGD contract staff, senior geologist and Exploration Manager Potential plate modelling of conductors is ongoing and is being reviewed independently by KGD contract staff, senior geologist and Exploration Manager

Section 1 Sampling Techniques and Data -Auger and Rock Chip Sampling

Criteria	Commentary
Sampling techniques	<p data-bbox="406 247 1484 279"><u>Auger Geochemical Samples – sampling technique</u></p> <ul data-bbox="454 300 1484 562" style="list-style-type: none"> • Sampling was completed by personnel employed by the auger contractor, Sahara Operations (Australia) Pty Ltd (Sahara), or by Kula geoscientist. • Samples were taken on the interface between transported material and saprolite. • A scoop was used to take a composite sample of material from typically 0.5 - 1m of auger drilling. • The sample was taken by ~ 3 scoops from the sample bucket (representative as possible) to approximately 2kg. The sample placed into a prenumbered calico bag, 10 samples are placed in a polyweave bag and Ziplock tied on site. <p data-bbox="406 583 1484 615"><u>Rock Samples – sampling technique</u></p> <ul data-bbox="454 636 1484 1423" style="list-style-type: none"> • Rock samples are obtained directly from outcrop, subcrop or float, by KGD geologists using a geological hammer (geopick) and/or chisel. • Rock sampling methodology is determined by the KGD geologist at the time of sampling, with consideration of the purpose of the sample and conditions of the sampling site. Rock sampling methods include: <ul data-bbox="535 814 1484 1339" style="list-style-type: none"> ○ Random Grab (RGRAB): rock chips are randomly obtained from the selected sample site / outcrop; therefore, sample can be considered as a general representation of the sample site. ○ Selected Grab (SGRAB): sample is obtained from rock chips that the geologist has specifically selected (with respect to alteration or mineralisation) and therefore the sample is not representative of the whole outcrop / sample site, instead only representing a specifically selected subset. ○ Semi Continuous Chip: rock chips of similar size/weight are obtained at regular, closely spaced intervals from a defined traverse across the outcrop/sample site, with traverse length and azimuth noted in the field ledger. Semi continuous chip samples provide a fairly accurate representation of the sample site/outcrop. ○ Continuous Chip: akin to a channel sample, whereby sample is obtained from a chiselling/chipping a continuous line of equally sized rock chips along a defined traverse across the outcrop/sample site, with the traverse length and azimuth recorded in the field ledger. This is the most accurate sampling method for sample site representativity, however, are difficult to obtain in the field without the use of a mechanised hand-held channel drill. • Typically, 1-2kg of rock chips are collected and placed in prenumbered calico bags, and details of the sample, including coding of the sampling methodology is recorded in the field ledger. <p data-bbox="406 1444 1484 1476"><u>Auger Geochemical Samples: Analysis Method</u></p> <ul data-bbox="454 1497 1484 1780" style="list-style-type: none"> • Samples were sent to Bureau Veritas Perth, where they were sorted and dried. • The whole sample is dried weighed and crushed and a split portion is then pulverized and a nominal 40gram charge is taken by the laboratory for Fire Assay. • The 40 gram charge is then subject to classical fire assay and the prill is subject to total digest in a four acid digest and the solution is read by an ICP machine using OES to determine Au to 1ppb and Pt and Pd to 5ppb. • Samples were compressed into pucks for analysis by Olympus Portable Xray fluorescence (pXRF) to determine to 5ppm Cu. <p data-bbox="406 1801 1484 1833"><u>Rock Samples RK000039 – RK000095: Analysis Method</u></p> <ul data-bbox="454 1854 1484 1990" style="list-style-type: none"> • Samples were sent to Intertek Genalysis in Perth where they were sorted and dried. • The whole sample is dried weighed and crushed and a split portion is then pulverized. 25g is taken by the laboratory, for aqua regia digest, and the solution is read by an ICP machine using MS to determine Au to 1ppb and Pt and Pd to 5 ppb and the four acid 48 element package.

Criteria	Commentary
Drilling techniques	<ul style="list-style-type: none"> • A Landcruiser mounted S10 Auger rig with a 4-inch blade was used. Drill spoil was collected in a plastic container.
Drill sample recovery	<ul style="list-style-type: none"> • 10 – 15 kg per metre was recovered (density dependent). • There is no relationship between sample recovery and grade.
Logging	<ul style="list-style-type: none"> • Chips for generally qualitatively logged for basic lithology, and colour.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • Sample preparation is industry standard where up to 3kg of sample is pulverized and a nominal 40gram charge is taken for fire assay. • Mixed Acid Digest MA/ICPMS for multi element on a 0.2g charge. • No field duplicates were taken as it is an early-stage geochemistry program.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • Fire assay technique is industry standard when assaying for Au, Pt and Pd. • Repeat samples, randomly selected by the laboratory, were within statistically acceptable limits, and no outliers were noted in the laboratory inserted standards. • pXRF readings were conducted on a pressed pellet of the auger samples using the Olympus portable XRF analyser. pXRF measurements area direct elemental analysis on the surface of the sample with high sensitivity to the element. • The rock samples and the auger samples are homogenous and the results are semi-quantitative are deemed to only provide an indication of the degree of base metal mineralization. Standard quality control procedures were put in place.
Verification of sampling and assaying	<ul style="list-style-type: none"> • Results have been reviewed independently by two KGD contract staff Senior Geologists • Sample records were recorded in field ledgers by Kula or Sahara personnel at the time of sampling, which were then digitalized into spreadsheets by Kula field assistants. Data was checked, spatially validated and approved by a KGD geologist prior to submission for loading into the database.
Location of data points	<ul style="list-style-type: none"> • Sample coordinates were obtained using handheld GPS with 3 - 5m accuracy in XY. • Coordinates were collected in GDA94 Zone 50 and reported as such.
Data spacing and distribution	<ul style="list-style-type: none"> • Phase 1 auger samples were taken at ~50m intervals along ~400m spaced lines. within access availability, adjusted where applicable.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Auger holes were vertical which is appropriate for medium being sampled.
Sample security	<ul style="list-style-type: none"> • Polyweave bags, containing 5 samples, were cable tied on site, and then placed into a bulky bag which were delivered to the secure yard of the freight company by Sahara personnel or Kula staff. The freight company delivered samples directly to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> • No independent audit of the sampling technique has been conducted. • Results have been reviewed independent by KGD contract staff, senior geologist and Exploration Manager.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> E77/2766 is a granted Exploration Licence abutting the town of Westonia and is 100% owned by Kula Gold Ltd. Native Title: Marlinyu Goorlie where no freehold land. Royalty and agreement in process of being concluded.
Exploration done by other parties	<ul style="list-style-type: none"> There has been no surface geochemistry or drilling on the project by other parties.
Geology	<ul style="list-style-type: none"> Archean -Unknown commodity- first pass Geochem for gold and multi element
Drill hole Information	<ul style="list-style-type: none"> Sample locations are provided within Figure 2 and Figure 3. Downhole depth and intercept depth are not applicable nor relevant. Results from auger geochemical sampling should be regarded and treated as if from surface samples (ie: geochemical) as opposed to drill holes.
Data aggregation methods	<ul style="list-style-type: none"> No aggregation methods applied because the sampling of the SChip because the sampling method didn't warrant it
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> No downhole intercept SChip samples were obtained along a two metre internal measured across the outcrop, therefore the grade is representative of that two metre zoned sample
Diagrams	<ul style="list-style-type: none"> Included within Press Release
Balanced reporting	<ul style="list-style-type: none"> Geostatistics (including both the minimum and maximum values for the sample population) relevant to the elements being reported in this press have been included.
Other substantive exploration data	<ul style="list-style-type: none"> Due to early stage of project, there is no further substantive exploration data.
Further work	<ul style="list-style-type: none"> Further work includes geological mapping, systematic rock chip sampling of the lateritic breakaways and follow up infill auger geochemical sampling.