



## ASX Announcement & Media Release

### Quarterly Activity Report for the period ended 31 December 2022

Date: 30 January 2023

ACN: 126 741 259

ASX Code: KGD

#### Highlights:

- The Heli VTEM & Magnetic Survey was extended to define intrusive drill targets at Kula's Westonia Nickel/PGE/Copper Project. A drilling program has been designed and commenced today.
- The ground exploration at Kula's Brunswick Lithium Project identified 11 pegmatite targets, including a large 2km long and up to 300m wide mapped pegmatite.
- A technical review of the RC & diamond drilling data from the Boomerang Kaolin Deposit has revealed new potential at the Ballantine-White Gold & Crayfish Gold Prospects.
- Kula entered into an agreement to acquire a 70% interest (subject to the completion of satisfactory due diligence, shareholder and other regulatory approvals) in the lithium and related minerals in a key tenement to complement the existing Brunswick Project. The Kirup Project with an area of 117km<sup>2</sup> and located within 25km of the world class Greenbushes Lithium Mine.
- The Company completed the second tranche of the Placement and is now well funded to expedite exploration activities in the first half of 2023.

Kula Gold Limited ("Kula" or "the Company") reports the quarterly activity report for the period ended 31 December 2022.

#### BRUNSWICK PROJECT

##### *Brunswick Lithium Project*

The field program was significantly extended following good progress with field mapping and sampling of the numerous pegmatite occurrences on tenements E70/5513 & E70/5599 at the Company's 100% Brunswick Project in the Southwest of WA, approximately 45km North of the world class Greenbushes Lithium Mine.

The exploration on ground is showing extensive prospective areas as the pegmatite targets increased from 6 to 11.

[\(Refer ASX Announcement dated 7 October 2022 – Brunswick Lithium Field Program Extended\).](#)

[\(Refer ASX Announcement dated 17 October 2022 - New Pegmatite Targets Identified – Brunswick Project\).](#)

On 14 November 2022, the Company reported excellent progress on the potential lithium bearing pegmatites, with a large 2km long and up to 300m wide pegmatite mapped.

[\(Refer ASX Announcement dated 14 November 2022 – Large Pegmatite Mapped – Brunswick Project\).](#)

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#### Contact Details:

Office: Suite 2, 20 Howard Street, Perth WA 6000

Mail: PO Box Z5207, St Georges Terrace, Perth WA 6831

Email: [cossec@kulagold.com.au](mailto:cossec@kulagold.com.au)

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



@KulaGold

No significant rock chips were received in this Quarter as part of this initial LCT program in these mapped pegmatites, however important geochemical data is being used to support future targeting and a review of the results is ongoing given known regional prospectivity for high fractionated and mineralised pegmatites.

Rock chips currently in for analysis from other areas will be released if of significance to the exploration of this large project area.

### **DGBM PROSPECT**

Additional UFF soil sampling at DGBM Prospect to extend the strike to the north and east of the lithium anomaly are to be provided this Quarter.

The Company anticipates that further exploration work on this project will continue in the second quarter of 2023, following the acquisition of the Kirup Project, which is subject to Shareholder approval at a General Meeting to be held before 31 March 2023.

### **KIRUP LITHIUM PROJECT**

On 28 November 2022, the Company entered into an agreement to acquire a 70% interest (subject to the completion of satisfactory due diligence, Shareholder and other regulatory approvals) in the lithium and related minerals in a key tenement, E70/5452 ("Kirup Project") to complement the existing Brunswick Project.

The Kirup Project with an area of 117km<sup>2</sup> and located within 25km of the world class Greenbushes Lithium Mine.

The acquisition consideration includes a cash reimbursement of exploration expenditure of \$200,000, 12m fully paid ordinary shares and a deferred consideration component being \$2m payable in fully paid ordinary shares upon announcing a JORC maiden resource of a minimum of 10mt of ore at a grade of 1% lithium or greater.

[\(Refer ASX Announcement dated 28 November 2022, Kula to Acquire 70% in Key Lithium Tenement – Kirup Project\).](#)

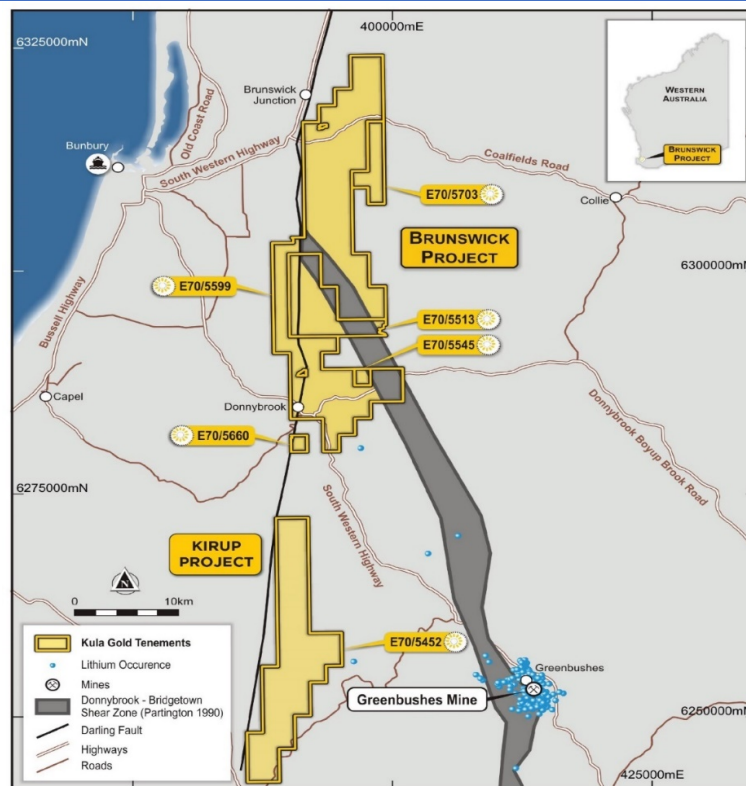


Figure 1: Kula's Kirup & Brunswick Projects, the DBSZ and proximity to Greenbushes Mine and Infrastructure.

The Company remains very excited regarding this acquisition and will provide further information contained within a Notice of Meeting to be sent to Shareholders for a General Meeting to be held on or before 31 March 2023.

On 19 December 2022, the Company announced a field reconnaissance trip as part of the due diligence to acquire the Kirup Project to add to the existing Brunswick Project.

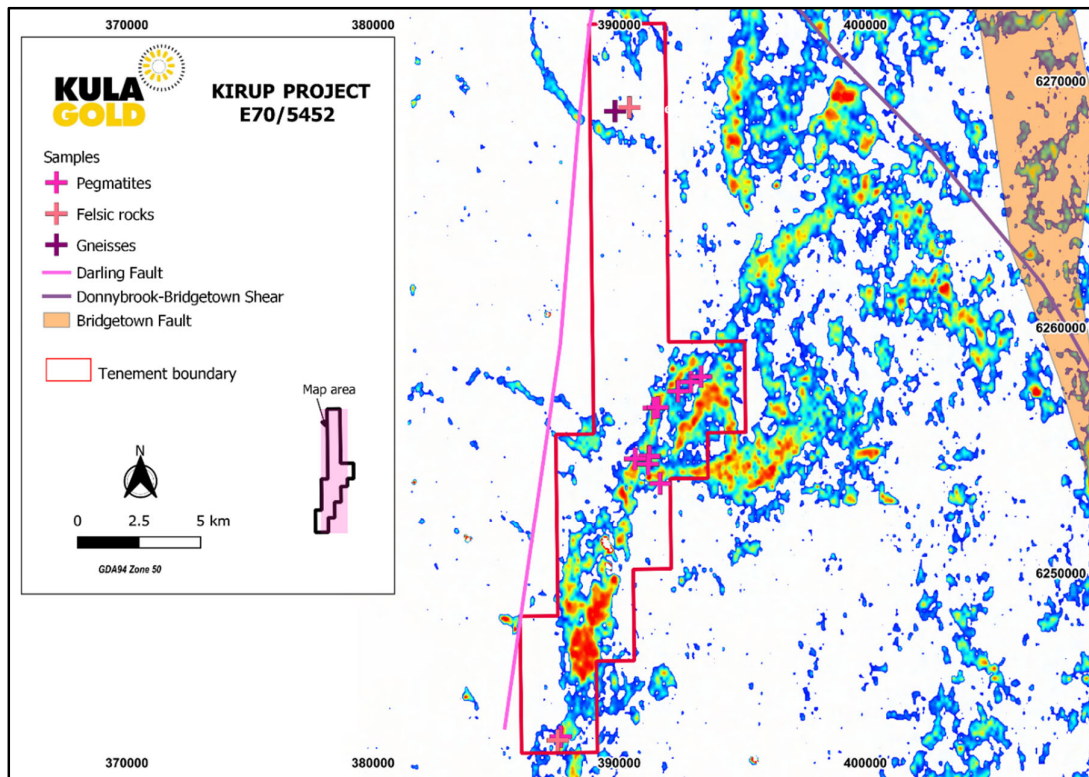


Figure 2: Rock chip sampling in Kirup Project E70/5452 over the U2/Th ratio of the publicly available region airborne magnetic/radiometric survey data, within 25kms West of Greenbushes Mine.

As noted above in Figure 2, the very strong anomalous signature (red) provides a good target for Kula's technical team to explore following the acquisition of the tenement, which remains subject to Shareholder approval at a General Meeting to be held on or before 31 March 2023.

[\(Refer ASX Announcement dated 19 December 2022, Lithium Potential – Brunswick & Kirup Projects\).](#)

### **WESTONIA NICKEL/PGE/ COPPER PROJECT**

The Company completed a maiden exploration auger drill program on its 100% owned Westonia Project, which is situated less than 5km South of the Edna May Gold Mine.

The program returned anomalous rock chip sample results of up to 498.3ppm copper anomalism, coincident with magnetic structures in gossanous outcrop as well as a 15.5ppb PGE.

[\(Refer ASX Announcement dated 28 October 2022 – Amended - Anomalous Copper & PGE - Westonia Project\).](#)

Following the successful and exciting results of the maiden exploration program, the Company commenced a helicopter VTEM & magnetic survey across the entirety of tenement E77/2766 in the South of the Westonia Project.

[\(Refer ASX Announcement dated 30 November 2022 – Heli VTEM & Mag Survey Commenced – Westonia Project\).](#)

The original survey comprising 417 line-kilometres with 200m line spacing was extended on 6 December 2022 to include additional infill 30 line-kilometres with 100m line spacing. The Company was confident that the extended program would define high-priority intrusive drill targets. The drilling commenced today at the 'Eye' structure intrusive targets.

[\(Refer ASX Announcement dated 6 December 2022 – Heli VTEM & Mag Survey Extended – Westonia Project\).](#)

## **MARVEL LOCH – AIRFIELD PROJECT**

### ***Boomerang Kaolin Project, Ballantine-White Gold Prospect & Crayfish Gold Prospect***

Kula's Senior Geologist presented at the AIG MEGWA monthly meeting following a technical review of the RC and diamond drilling data from the Boomerang Kaolin Deposit drill-out, which included extending RC drill holes through to fresh rock. For further information on the major change to existing interpretations and the potential for further exploration activities refer to the MEGWA Presentation: The Marvel Loch Story located on the Company's website.

[\(Refer to ASX announcement dated 16 November 2022, Pegmatites & Gold to 2.6g/t at Boomerang – Southern Cross WA\).](#)

## **OTHER TENEMENTS**

During the quarter, the Company withdrew from one pending application for Lake Rebecca, tenement E28/3137 and from two pending applications for Marvel Loch, tenements E77/2807 & E77/2808.

The Company has lodged applications for a Mining Licence ML77/1302 & a Miscellaneous Licence L77/359 on the Boomerang Kaolin Deposit Project.

## **CORPORATE ACTIVITIES**

As the number of prospective projects grows within the Company, on 26 October 2022, the Board was pleased to announce the appointment of experienced geologist and mining executive, Mr Ric Dawson as Chief Executive Officer.

During the quarter under review, we saw the resignation of Mr Simon Adams as a Non-Executive Director so he could focus on other business ventures. The Board extended their gratitude to Mr Adams for his valued contribution to the Company and wished him well for the future.

On 11 November 2022, the Company issued 25m fully paid ordinary shares at an issue price of \$0.02, raising \$500,000 before costs, to Terra Capital to complete the second tranche of the Placement. The Company also issued 6m unlisted options exercisable at \$0.08 per option, expiring 3 years from the date of issue to Taylor Collison as the Lead Manager to the Placement, following Shareholder approval at the General Meeting held on 7 November 2022.

The Company also issued 2.3m unlisted options exercisable at \$0.06, expiring 1 July 2026 under the terms of the Employee Incentive Option Plan.

Payments to related parties during the quarter included in item 1, totalled \$54,137 which included director's fees, consulting fees and office lease.

Payments to related parties during the quarter included in item 2, totalled \$70,000 being the reimbursement of historical exploration incurred by Sentinel Exploration Limited, paid pursuant to the Agreement to acquire the Kirup Project.

## By order of the Board

### For Further Information, Contact:

Keith Bowker - Company Secretary

T: +61 8 6144 0592

[cosec@kulagold.com.au](mailto:cosec@kulagold.com.au)

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

### About the Company

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

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

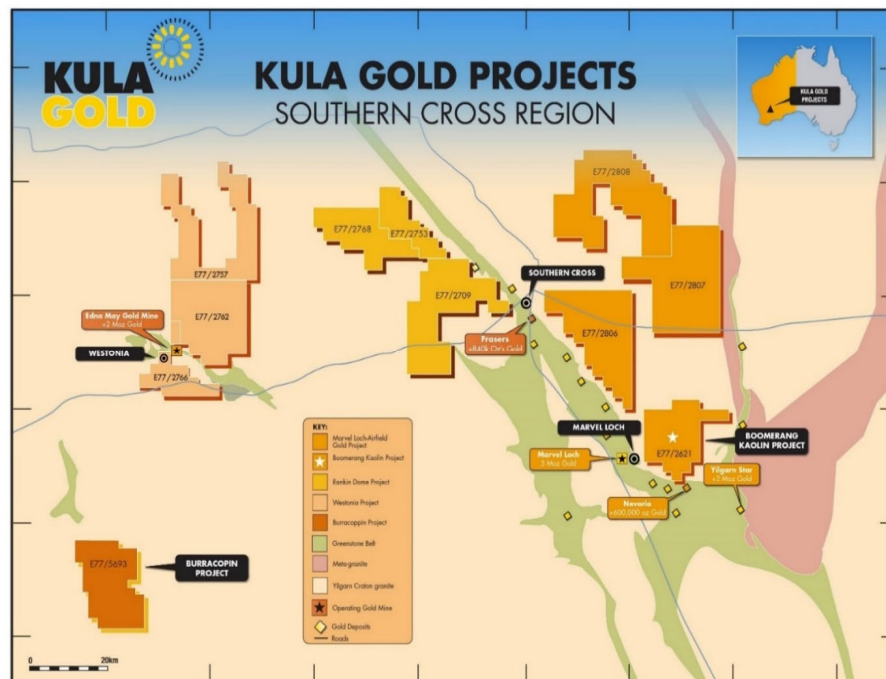
The Company has a history of large resource discoveries with its foundation being the Woodlark Island Gold project in PNG, (+1m oz Gold) which was subsequently joint ventured and sold to (ASX: GPR).

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

The exploration team are busily working towards the next mineral discovery.

### Competent Person Statement

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



### Tenement List

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



## Appendix 5B

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

Name of entity

KULA GOLD LIMITED

ABN

83 126 741 259

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(349)	(2,308)
(b) development	-	-
(c) production	-	-
(d) staff costs	(158)	(359)
(e) administration and corporate costs	(117)	(340)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(624)</b>	<b>(3,007)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(79)	(79)
(c) property, plant and equipment	-	(59)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(79)</b>	<b>(138)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	500	2,921
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(48)	(151)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>452</b>	<b>2,770</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,015	2,139
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(624)	(3,007)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(79)	(138)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	452	2,770



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,764</b>	<b>1,764</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,734	1,985
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,764</b>	<b>2,015</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(54)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(70)

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

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

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(624)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(624)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,764
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,764
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.83
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

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

Date: .....30 January 2023.....

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

**Notes**

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