

Quarterly Activity Report for the period ended 30 September 2023

Date: 20 October 2023

ACN: 126 741 259

ASX Code: KGD

Highlights:

- **Cobra Lithium Prospect within the Kirup Project** – recent mapping and sampling has increased the strike to ~2km and greater than 300m wide, RC drilling due to commence during the next quarter
- **Mustang Lithium Prospect within the Kirup Project** – multiple pegmatites with strikes up to 1km and over 200m wide, RC drilling commenced
- **Rankin Dome REE & Lithium Project** – 900m of RC drilling completed by newly ASX listed JV partner Australian Critical Minerals Limited (ASX: ACM)

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity report for the period ended 30 September 2023.

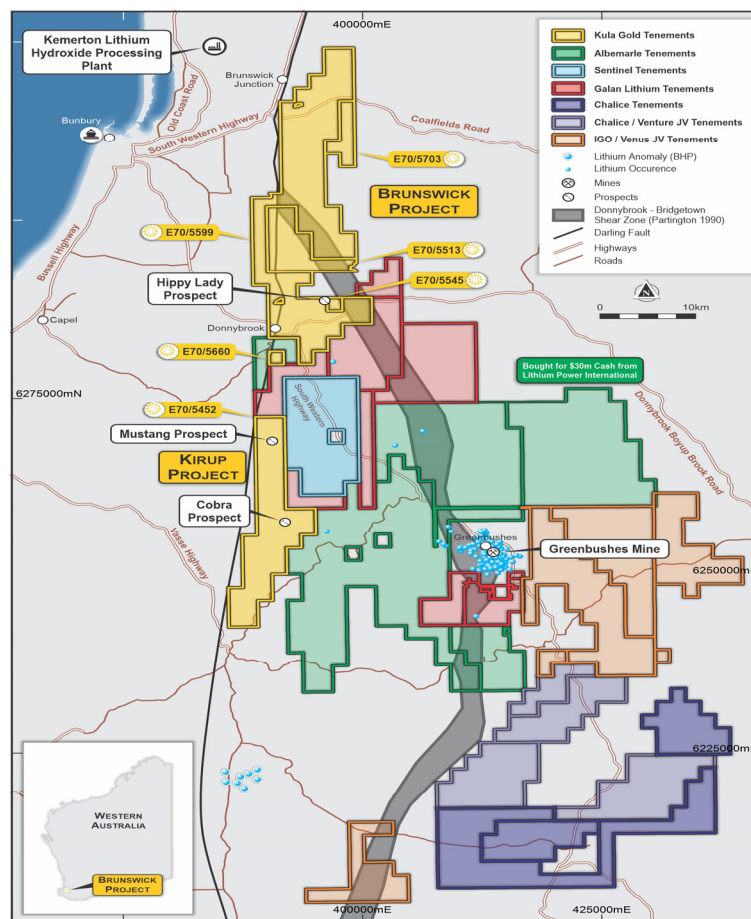


Figure 1 Kula’s Kirup and Brunswick Projects, DBSZ and location of surrounding major companies and infrastructure.

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KIRUP LITHIUM PROJECT – (70% LCT mineralisation rights, 30% Sentinel Exploration Ltd)

Cobra Lithium Prospect

The Cobra Lithium Prospect sits in the central part of E70-5452, on a regional NE magnetic lineament.

Pegmatites with high lithium content (**240.8ppm and 71.9ppm**), containing muscovites, tourmalines and garnets (fractionated minerals) have been mapped out across a substantial contiguous prospect area of ~2km in strike length and >300m wide. Recent mapping continues to increase the dimensions of this prospect.

The mineralogy of pegmatites is composed of predominantly quartz, feldspar, tourmaline, muscovite, garnet, others (to be determined). Generally, poorly foliated and with a grainsize – locally very coarse, up to 10cm crystals of feldspars and muscovite crystals up to ~5cm.

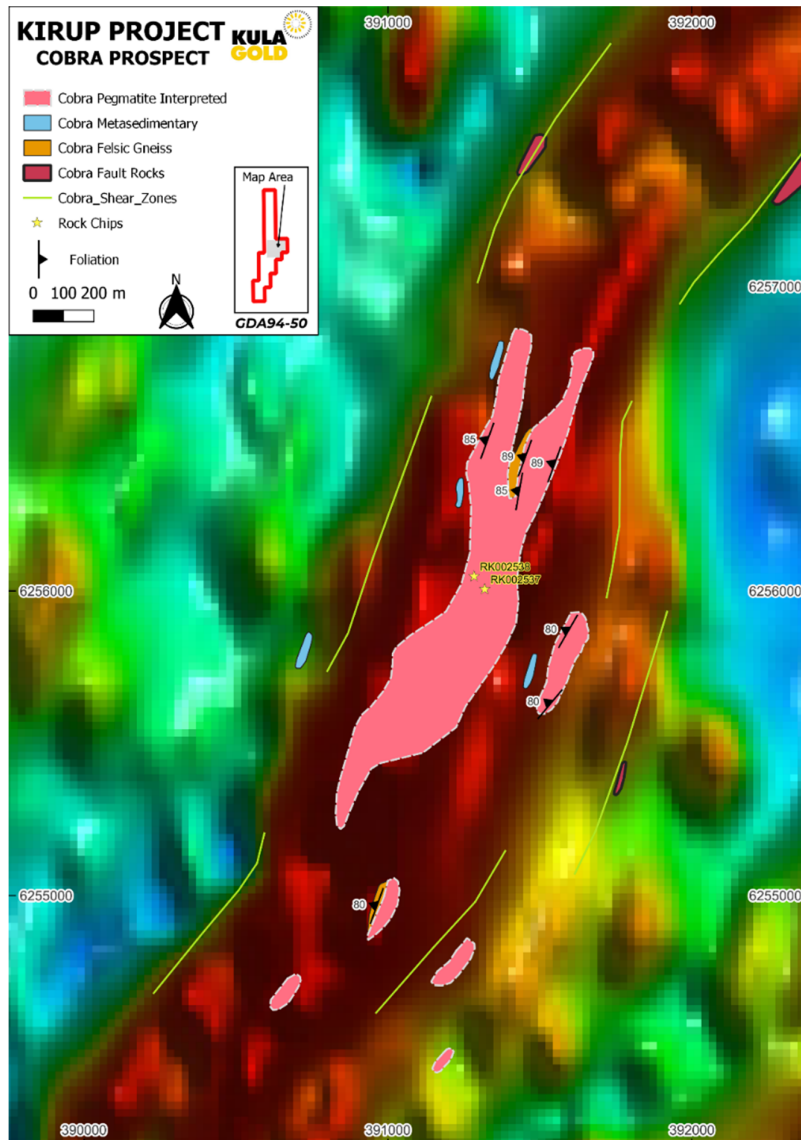


Figure 2: Location of Cobra Lithium Prospect over regional TMI_RTP magnetics.

Exploration drill planning has progressed, and RC drilling is scheduled to commence in December 2023.

Results to be reported in due course.

Mustang Lithium Prospect

A recent mapping and soil sampling programme during the quarter progressed the size of the pegmatite zone, providing a walk-up drill target to test for LCT mineralisation below the weathered zone estimated at 30-50m, similar to the nearby Greenbushes Mine.



Figure 3: Recent rock chip RK000427 by Kula geologist in the Mustang Lithium Prospect with a weathered pegmatite, large green crystals with bladed spodumene and/or tourmaline in a 100% felsic matrix, no sulphides. (Refer ASX Announcement dated 16 August 2023 – Kirup Lithium Targets – Drilling)

The Mustang Lithium Prospect sits in the northern part of E70-5452, in an area of NNW trending magnetic lineaments, comprises a series of NNW striking pegmatitic bodies that occur within intercalated felsic gneiss and amphibolite sequences. Preliminary mapping has identified several pegmatite bodies with probable strike lengths approximately 1km and greater than 200m wide.

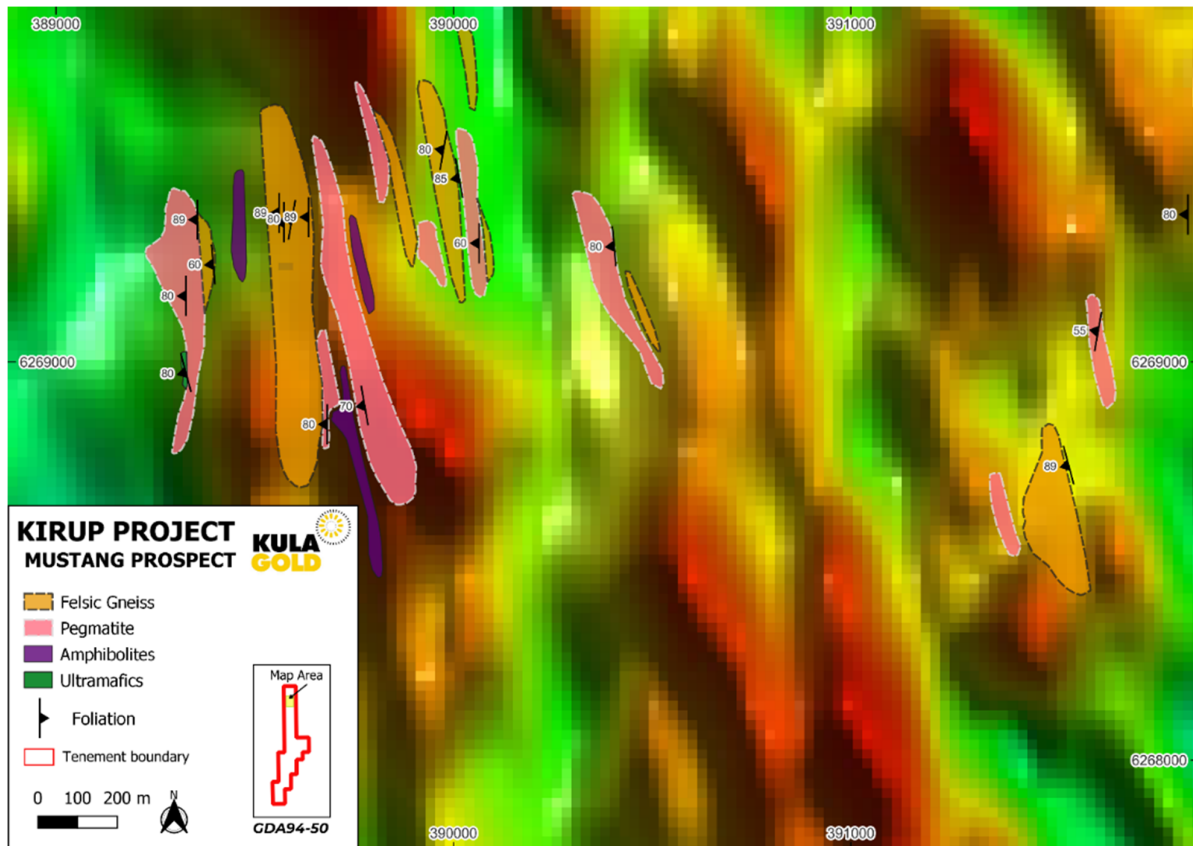


Figure 4: Mustang Lithium Prospect – Mapped location of interpreted pegmatite over regional magnetics.

On 19 September 2023, the Company provided a drilling update on the first hole at the Mustang Lithium Prospect, successfully intersecting pegmatites over four intervals to 132m. The intervals ranged from 2m to 9m.

The drilling programme was temporary suspended due to ground conditions and scheduled following drilling at the Cobra Lithium Project.

Results will be reported in due course.

MARVEL LOCH – AIRFIELD PROJECT -100% - KAOLIN & GOLD

The Company continued discussions during the quarter to advance development of the large Boomerang Kaolin Deposit of 93.3 million tonnes, near excellent infrastructure in Southern Cross WA.

Engineering studies continued for downstream processing on site to produce metakaolin products for the Green Construction Industry. Mineralogical/metallurgical test work by Sedgman has been completed confirming the suitability of the raw material for green cement as well as many uses such as paint, rubber and pesticide production.

Discussions with potential acquirers and developers of the project continue with a view to monetising this asset.

RANKIN DOME PROJECT – 100% (ACM earning 51%) – RARE EARTH ELEMENTS & LITHIUM

The Company reported the completion of a 249 hole auger geochem programme at the Rankin Dome Project near Southern Cross in Western Australia by our joint venture partner Australian Critical Minerals Limited (ASX: ACM).

A 900m RC drilling programme of 6 x 150m deep drillholes has been completed with results expected during the next quarter.

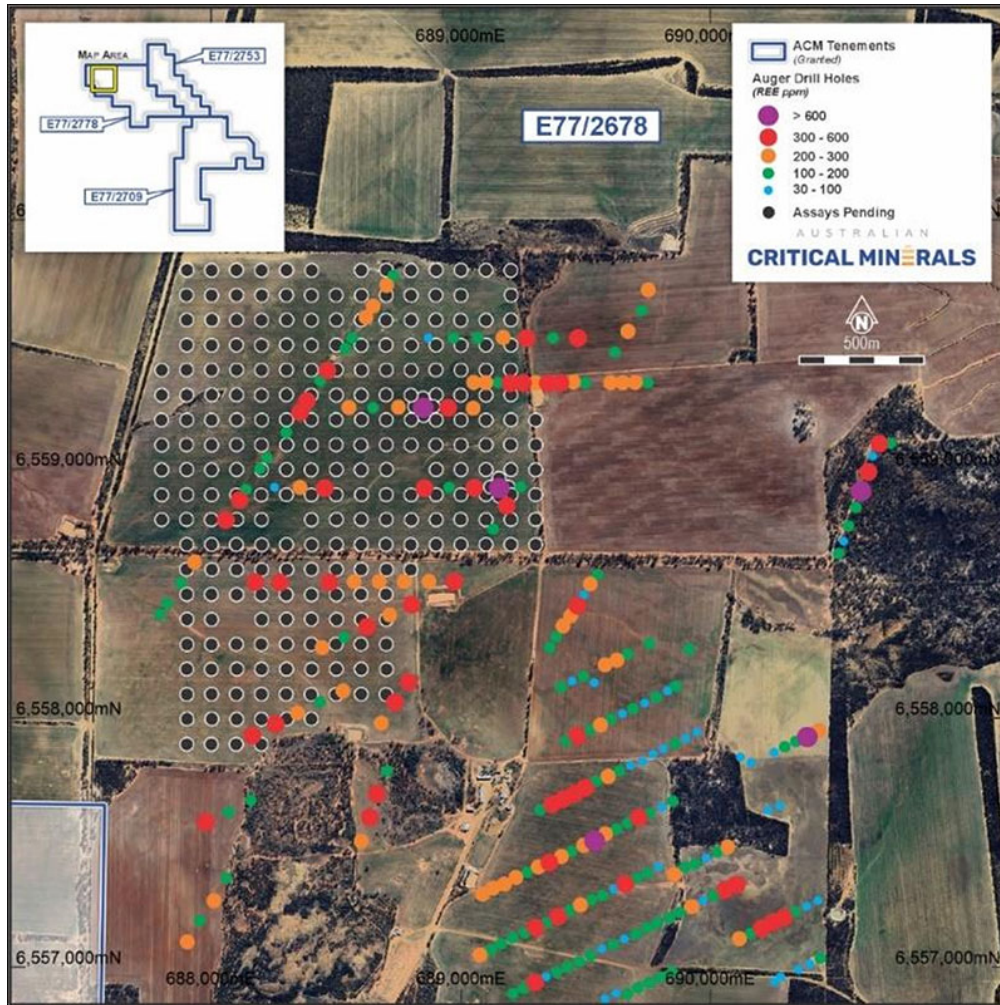


Figure 5: 100m gridded shallow auger at Rankin Dome Project – programme conducted in the northwest of tenement E77-2768 (ACM supplied)

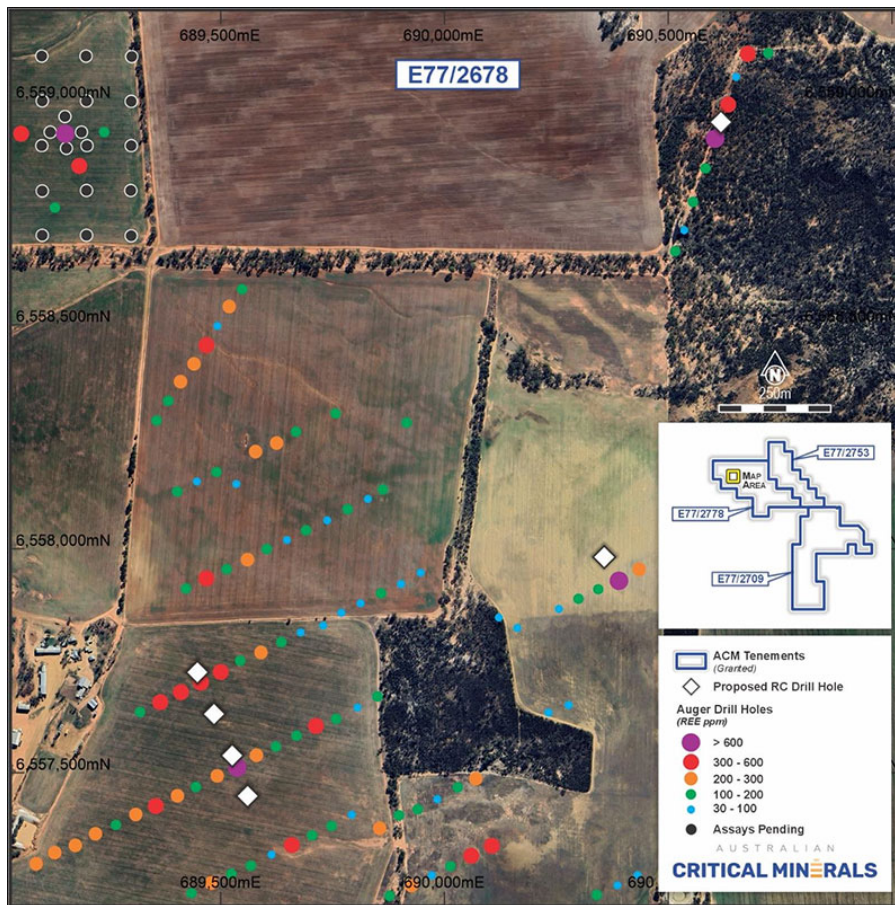


Figure 6: RC drillhole collar locations at Rankin Dome tenement E77-2768 (ACM supplied)

CORPORATE ACTIVITIES

Payments to related parties during the quarter included in item 1, totalled \$44,997 which included director's fees, consulting fees, office and storage leases.

By order of the Board

For Further Information, Contact:

Keith Bowker - Company Secretary

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Competent Person Statement

The information in this report that relates to geology, exploration and visual estimates is based on, and fairly represents, information and supporting documentation 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 and is a related party of the Company. 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). This market announcement is issued with the prior written consent of Mr. Dawson as to the form and context in which the exploration results, visual estimates and the supporting documentation are presented in the market announcement.

References:

KIRUP PROJECT

ASX Release – Kirup Lithium Targets – Drilling – 16 August 2023.

ASX Release – Lithium Drilling – Stacked Pegmatites Intersected – Kirup – 19 September 2023.

RANKIN DOME PROJECT

ASX Release – Drilling Update – Rankin Dome Project – 27 September 2023.

BOOMERANG PROSPECT

ASX Release – Boomerang Kaolin Deposit – Maiden JORC Resources – 20 July 2022

Kula confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

About the Company

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

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

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

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

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

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 ¹	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	3/09/2020	-	-	100%
		M77/1302	Application	-	-	-	-
		L77/0359	Application	-	-	-	-
Southern Cross	E77/2806	Granted	19/07/2022	-	-	100%	
	E77/3116	Application	-	-	-	-	
South West Region	Brunswick	E70/5599	Granted	26/07/2021	-	-	100%
		E70/5703	Granted	26/05/2021	-	-	100%
		E70/5513	Granted	23/02/2021	-	-	100%
		E70/5645	Granted	6/05/2021	-	-	100%
		E70/5660	Granted	28/04/2021	-	-	100%
	Kirup	E70/5452	Granted	4/01/2021	-	-	70%
Kurnalpi Region	Lake Rebecca	E28/2942	Granted	21/04/2020	-	-	100%
		E28/3029	Granted	10/03/2021	-	--	100%
Coolgardie Region	Boorabbin North	E15/1819	Granted	27/01/2022	-	-	100%

¹ On 9 August 2022, the Company entered into a binding Farm-In Agreement with Australian Critical Minerals Limited (ASX: ACM) in respect of the Company's non-core Rankin Dome Project comprising of three tenements being E77/2709, E77/2753 & E77/2768. ([Refer ASX Announcement, Farm-in & Joint Venture Agreement – Rankin Dome](#)). On 29 June 2023, ACM was admitted to the official list of the ASX and therefore has met all the conditions precedent in the binding Farm-In Agreement. At the end of the quarter under review, the Company held a 100% interest in the Rankin Dome Project tenements.

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")

30 SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(216)	(1,072)
(b) development	-	-
(c) production	-	-
(d) staff costs	(179)	(601)
(e) administration and corporate costs	(157)	(343)
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	549	938
1.8 Other (stamp duty on acquisition of Kirup)	(132)	(132)
1.9 Net cash from / (used in) operating activities	(135)	(1,210)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(130)
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(131)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	558	1,764
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(135)	(1,210)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(131)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	423	423

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	392	527
5.2	Call deposits	31	31
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	423	558

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	(45)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(135)
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)	(135)
8.4 Cash and cash equivalents at quarter end (item 4.6)	423
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	423
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.13
<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:20 October 2023.....

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

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

Notes

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