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ASX Announcement & Media Release

QUARTERLY ACTIVITY REPORT
For period ending 30 September 2020

Date: **26 October 2020**

ASX Code: **KGD**

Board of Directors:

Mark Stowell (Chairman)
Mark Bojanjac
John Hannaford
Simon Adams

Shares on Issue:
155,805,606 Ordinary Shares

Cash at bank:
$1.34m (Q3-20)

Highlights

- **Airfield Gold Project -Drilling to Commence**
- **Brunswick Ni-Cu-PGE Project Acquired**

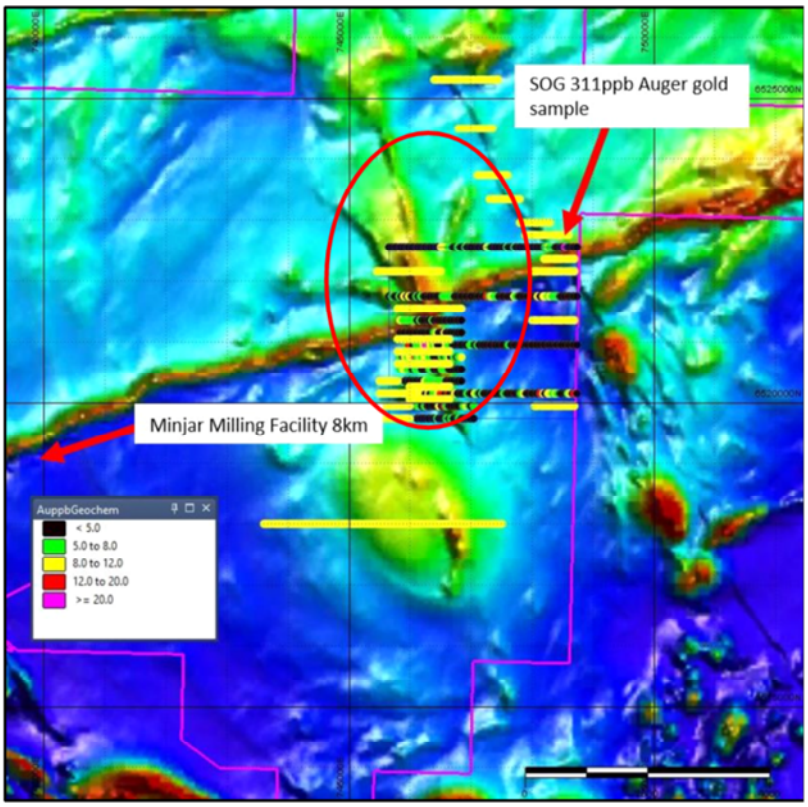
Kula Gold Limited (**Kula** or **Company**) reports on activities for Q3 2020.

1. Exploration Projects

1.1. Airfield Gold Project, Marvel Loch (Kula – 100%)

Kula was granted its exploration license **EL77/2621** over the south-central part of the **Ghooli Dome** in the **Marvel Loch** area of Western Australia, which is known as the **Airfield Gold Project**, in September 2020.

The Marvel Loch -Airfield Gold project covers an area of 120km^2 over the south-central part of the Ghooli Dome, 5km east of the town of Marvel Loch, a major gold mining centre. This region has seen over 15Moz of historical gold production and the Marvel Loch mine and mill continue production under the ownership of Minjar Gold. Historic exploration was carried out by Sons of Gwalia Ltd ("SOG") in the late 1980's, and closing reports recommended follow-up drilling of these targets. There is no evidence of any drilling work conducted since that time.



Crayfish Prospect (red circle) magnetics and historical Sons of Gwalia geochemistry results

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Kula has received the POW approval and subsequently completed track clearing work ahead of a proposed auger drilling program to commence in early November.

The auger drilling program is designed to test previously reported SOG generated gold in soil anomalies, as well as Kula generated targets from reprocessed and re-interpreted magnetics. The highest grade SOG sample of 311ppb Au is located on the North West trending structure which extends through the licence from the mineralised amphibolite's to the South East of the licence. The North West extensions to this structure will be tested by several lines of Auger sampling.

Kula will use the services of a light vehicle mounted auger drilling unit that has the capacity to drill through the 3-7m sand cover to generate a consistent geochemical sampling medium.



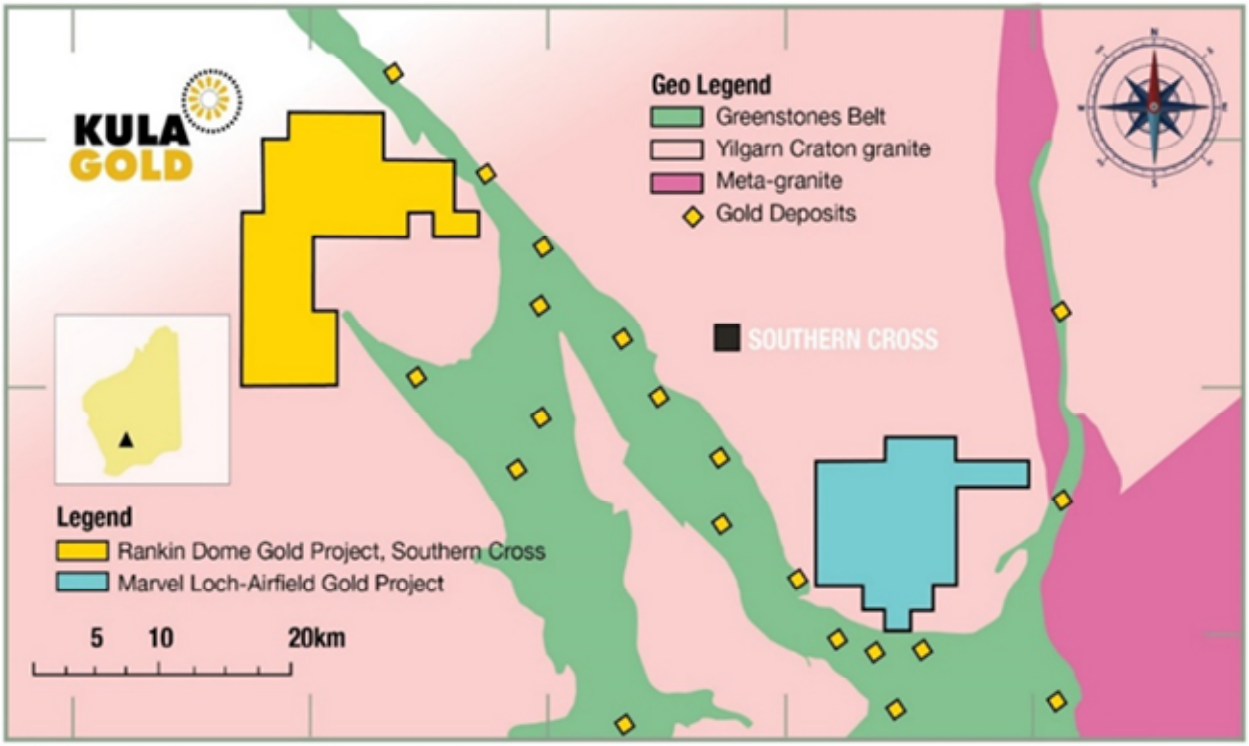
Vehicle mounted auger drilling unit

1.2. Rankin Dome Gold Project, Southern Cross Projects (Kula – 100%)

During the quarter, Kula applied for an exploration license **EL 77/2709** referred to as **Rankin Dome Gold Project**. This tenement covers 160 km^2 and is located 15km west of Southern Cross.

A field trip was completed in September which successfully located a 1988 water bore drill hole which had been assayed for gold, and identified gold values of 0.46g/t Au over 2m from 10m vertical downhole in amphibolite. 3 historic RC drill holes were located during the field visit which are not in the DMIRS database. The drill cuttings were logged as amphibolite (greenstone possibly meta High Mg Basalt) unit with a soapy feel, although the area is mapped as granite. The amphibolite is over 1km wide which adds significantly to the prospectivity of this project. The amphibolite is not obvious in the open file magnetics which show a granite signature suggesting the amphibolite is overlying the granite in this area.

Landowner agreement has been secured over a significant portion of the licence including the area with amphibolite. On granting of the license, the initial work plan will comprise of a shallow geochemical aircore drilling program over each target area totalling approximately 200 holes.



Location of Kula's Southern Cross Gold Projects

1.3. Brunswick Project (Kula – 100%)

The Company applied for an exploration license (ELA70/5599) which covers 240 km^2 which is located between the towns of Donnybrook and Brunswick Junction, approx. 150km south of Perth. The licence is located in the highly prospective Western Gneiss Terrain which hosts Chalice Gold Mines, Julimar Ni-Cu-PGE Project to the North.

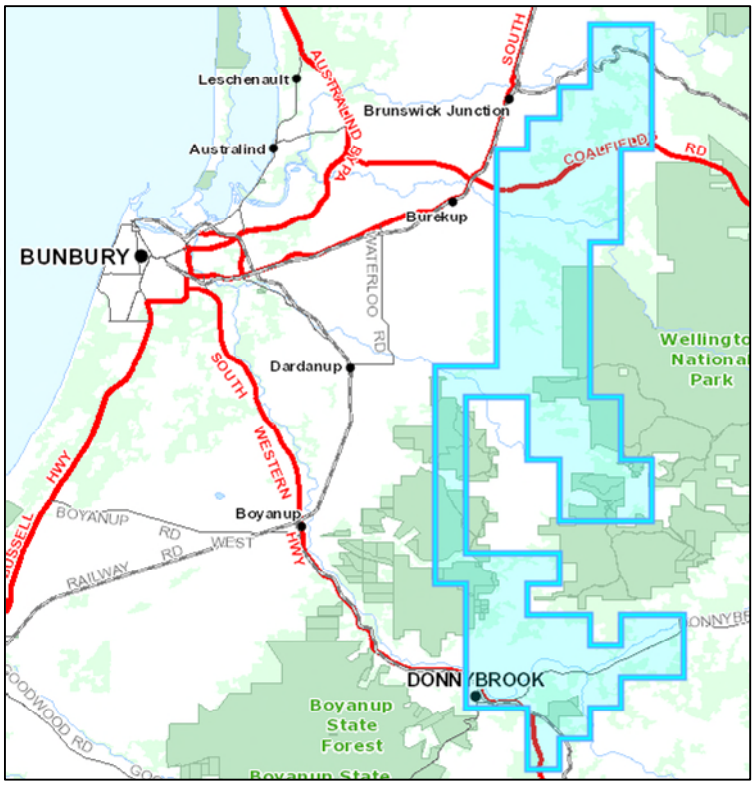
Studies of the open file magnetic data showed some subdued magnetic highs which Kula considered were worth investigating further to see if the subdued magnetic response was masking potential Ultramafics in the licence area.

The open file magnetics within the licence area were reprocessed to highlight the magnetic highs which will be field checked in the coming weeks to verify the actual rock types. Comparison of the open file and re-processed magnetics are shown in the images below.

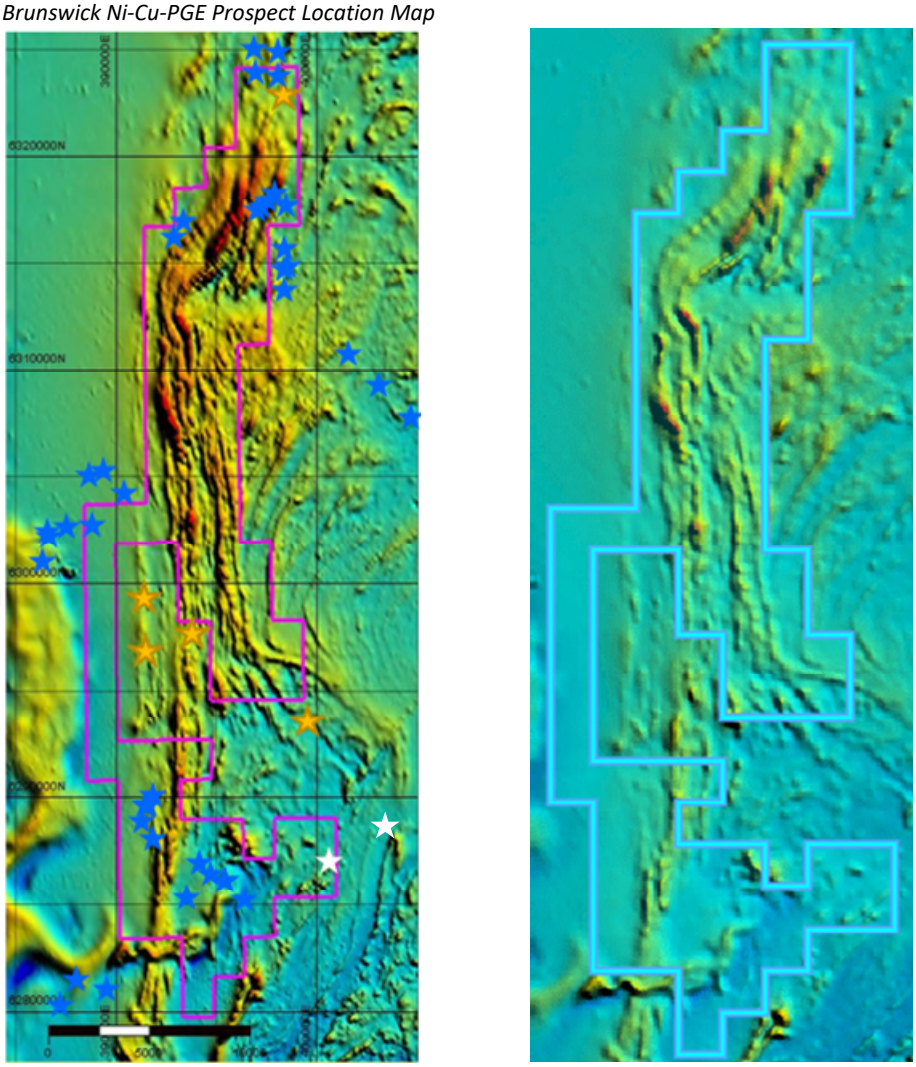
The licence area also contains an historical gold project east of Brunswick junction known as Brunswick and is also prospective for Lithium bearing pegmatites.

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Brunswick Ni-Cu-PGE Prospect Location Map

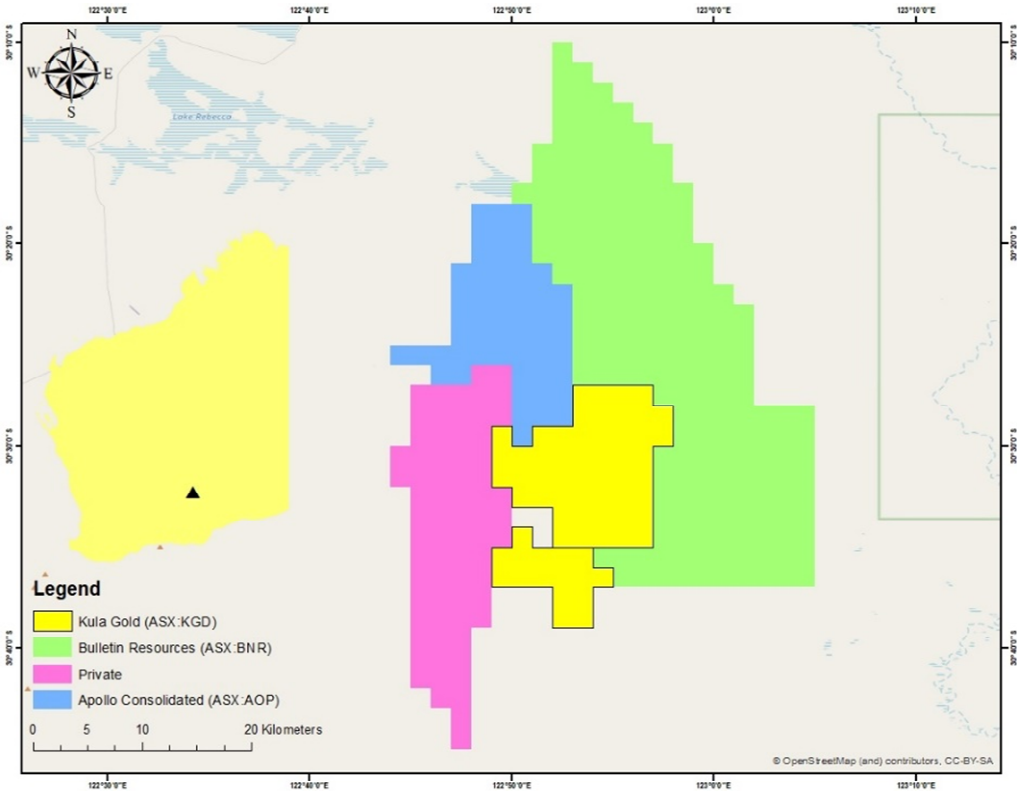


Images showing the comparison between reprocessed magnetics (left) and the open file magnetics (right) with red areas in the reprocessed magnetics interpreted to be potential Ultramafics – subject to field verification. Gold stars show historical gold projects, White stars are known pegmatites, Blue stars are rock/laterite quarries in the area

1.4. Lake Rebecca Gold Project, Kurnalpi, WA (Kula – 100%)

Kula completed a drilling program to test six discrete targets at its Lake Rebecca Project tenement (EL 28/2942). The targets had been identified using a combination of geophysical and remotely sensed anomalies. A total of 59 aircore drillholes were completed for a total of 2100 meters. The drilling program and sampling was supervised by the company's consulting geologist and was carried out by experienced drilling contractor Raglan Drilling.

Assay results from the drilling confirmed key structures in the tenement located with aeromagnetic interpretation and remotely sensed imagery, with drilling showing some quartz veining, minor sulphides, and extensive hematite alteration, however gold mineralization was not intersected in the 6 targets drilled.



Kula's Lake Rebecca tenements E28/2942 and ELA28/3029, 125km east of Kalgoorlie, adjacent to leases being explored by Apollo Consolidated (ASX: AOP) and Bulletin Resources (ASX: BNR)

The next exploration program will focus on four new areas identified in Kula's large 194km^2 tenement holding, associated with chalcopyrite reflectance spectra zones from remotely sensed satellite imagery, and coincident interpreted structural targets.

A work plan comprising shallow geochemical auger drilling over each area totalling approximately 200 holes will be carried out.

During the quarter, an application was made for an exploration license (EL 28/3029) which is adjacent to the southern border of the original E28/2942 claim. This additional 47 km^2 license covers anomalies that that have been identified from geophysical analysis and open file geochemical gold anomalies which extend beyond the southern boundary of E28/2942.

2. Corporate

2.1. Rights Issue and Placement

The Company successfully completed a 3 for 2 non-renounceable pro rate rights issue which raised $1.764 million and a further $0.176 million through a placement.

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2.2. Payments to Directors

In accordance with ASX listing rule 5.3.5, as disclosed in the Appendix 5B, payments were made to various directors during the quarter for corporate advisory and compliance work carried out for the company in the year from July 2019 to June 2020 as follows:

M Stowell	$24,900
M Bojanjac	$20,000
S Adams	$42,710

By order of the Board

For Further Information, Contact:
Simon Adams (Company Secretary)
T: +61 8 6144 0592 info@kulagold.com.au

Tenement Report

Mining Tenements held by Kula Gold Limited for the quarter are:

Project	Location	Tenement Reference	Status	Interest Acquired During the Quarter	Interest Disposed During the Quarter	Interest at the end of the Quarter
Airfield Gold Project	Marvel Loch, W. Australia	E 77/2621	Granted	-	-	100%
Lake Rebecca Gold Project	Lake Rebecca, Kurnalpi, W. Australia	E 28/2942	Granted	-	-	100%
Lake Rebecca Gold Project Extension	Lake Rebecca, Kurnalpi, W. Australia	E 28/3029	Application	100%	-	100%
Rankin Dome Gold Project	Southern Cross, W. Australia	E 77/2709	Application	100%	-	100%
Brunswick Project	Brunswick, W. Australia	E 70/5599	Application	100%	-	100%

The information in this report that relates to geology and exploration is based on information compiled by Mr. Adam Anderson, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Anderson is a Geology and Exploration Consultant who has been engaged by Kula Gold Ltd. Mr. Anderson 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. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.