# ASX Announcement & Media Release

## Target's Statement

**Date:** **4 December 2025** **ACN:** **126 741 259** **ASX Code:** **KGD**

In accordance with item 14 of section 633(1) of the Corporations Act 2001 (Cth) (Corporations Act) attached is a copy of the Target's Statement issued by Kula Gold Limited ACN 126 741 259 (ASX: KGD) in relation to the off-market takeover bid by Forrestania Resources Limited ACN 647 899 698 (ASX: FRS) (**Forrestania**) under Chapter 6 of the Corporations Act for all ordinary shares in Kula (**Offer**).

The Target's Statement was lodged today with the Australian Securities and Investments Commission and served on Forrestania.

Kula Gold's Directors unanimously recommend that Kula Gold shareholders accept the Offer in the absence of a superior proposal. Furthermore, the Directors intend to accept the Forrestania offer for their own shares in the absence of a superior proposal.

**This release was authorised by the Board**

**For Further Information contact:**
Ric Dawson – Managing Director
T: +61 8 6144 0592
Mob: 0418 892 128
cosec@kulagold.com.au
www.kulagold.com.au

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# Target's Statement

**Kula Gold Limited**

**ACN 126 741 259**

In relation to the off-market takeover bid made by Forrestania Resources Limited to acquire all of your fully paid ordinary shares in Kula Gold Limited on the basis of 1 Forrestania Share for every 5.6 Kula Shares.

This is an important document which requires your immediate attention. If you have any doubts as to what you should do, please contact your professional adviser

The Directors unanimously recommend that you accept Forrestania's Offer, in the absence of a Superior Proposal

This document is a Target's Statement dated 4 December 2025 and is issued by Kula Gold Limited ACN 126 741 259 (Kula) under Part 6.5 Division 3 of the Corporations Act. This Target's Statement sets out the Kula Board's formal response to the Bidder's Statement lodged by Forrestania Resources Limited ACN 146 935 131 (Forrestania) (Offer) with ASIC and served on Kula on 24 November 2025.

This is an important document and should be read carefully. If you are in any doubt as to how to deal with it, please consult your financial or other professional advisor.

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## Important Notice

**ASIC disclaimer**

A copy of this Target's Statement was lodged with ASIC on 4 December 2025. Neither ASIC nor any of its officers takes any responsibility for the content of this Target's Statement.

**Disclaimer as to Forrestania information**

The information on Forrestania, Forrestania Shares and the Forrestania Group's business, capital structure and assets contained in this Target's Statement has been prepared by Kula from publicly available information and should not be considered comprehensive.

Information in this Target's Statement concerning Forrestania, Forrestania Shares and the Forrestania Group and the assets and liabilities, financial position and performance, profits and losses and prospects of the Forrestania Group have not been independently verified by Kula. Accordingly, neither Kula nor its directors, officers, employees, contractors, advisers or agents make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Further information in relation to Forrestania, Forrestania Shares and the Forrestania Group is set out in the Bidder's Statement.

**No account of personal circumstances**

This Target's Statement does not take into account your individual investment objectives, financial situation or particular needs. It does not contain personal advice. Kula is not licensed to provide financial product advice in relation to Kula Shares or any other financial products. This Target's Statement should not be relied on as the sole basis for any investment decision in relation to Kula Shares or the Offer generally. Your Directors encourage you to obtain independent legal, financial, taxation or other professional advice before deciding whether to accept the Offer. A general outline of the taxation implications for certain Kula Shareholders of accepting the Offer is set out in section 11 of this Target's Statement.

**Forward looking statements**

Some statements in this Target's Statement are in the nature of forward looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties.

Those risks and uncertainties include factors and risks specific to Kula as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Kula and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Kula, any of its officers or any person named in this Target's Statement with their consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on those statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Kula has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so under Division 4 of Part 6.5 of the Corporations Act to update or correct this Target's Statement (i.e. for certain matters that are material from the point of view of a Shareholder) or under its continuous disclosure obligations under the Corporations Act.

**Privacy statements**

Kula has collected your information from the Kula register of members for the purpose of providing you with this Target's Statement. The type of information Kula has collected about you includes your name, contact details and information on your shareholding in Kula. The Corporations Act requires the name and address of Shareholders to be held in a public register.

**Foreign Kula Shareholders**

The distribution of this Target's Statement may, in some countries, be restricted by law or regulation. Persons who come into possession of this Target's Statement should inform themselves of and observe those restrictions.

**Shareholder enquiries**

If Shareholders have any queries in relation to the Offer they may contact Kula by email (cosec@kulagold.com.au) or phone (+61 466 319 424 between 9.00am and 5.00pm (Perth time) from Monday to Friday

**Defined terms**

Certain terms used in this Target's Statement have defined meanings as set out in section 13 of this Target's Statement.

**No internet site is part of this Target's Statement**

No internet site is part of this Target's Statement. Kula (www.kulagold.com.au) and Forrestania (https://forrestaniaresources.com.au/) maintain internet sites. Any references in this Target's Statement to these or other internet sites are textual references only and the information contained on the sites does not form part of this Target's Statement.

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# Corporate Directory

**Directors**

| | |
|---|---|
| Mr Mark Stowell | Chairman |
| Mr Ric Dawson | Managing Director |
| Mr Mark Bojanjac | Non Exec. Director |

**Company Secretary**

Mr Keith Bowker

**Website**

www.kulagold.com.au

**Registered Office**

Suite 2, 20 Howard Street
Perth WA 6000
Email: cosec@kulagold.com.au

**Share Registry***

Automic Group
www.investor.automic.com.au

**Auditor***

Elderton Audit Pty Limited

**Lawyers**

Atkinson Corporate Lawyers

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

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## 1 KEY DATES

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|---|---|
| Offer announced | 14 October 2025 |
| Date of Bidder's Statement | 24 November 2025 |
| Date of Target's Statement | 4 December 2025 |
| Offer Period commences | 8 December 2025 |
| Offer Period closes (unless Offer is extended or withdrawn) | 4pm AWST 8 January 2026 |

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## 2 CHAIRMAN'S LETTER

Dear Fellow Kula Gold Shareholder,

On 14 November 2025, Forrestania Resources Limited (ASX: FRS) announced an off-market takeover bid to acquire all of the ordinary shares in Kula Gold Limited (Kula or the Company) that it does not already own. The Offer is 1 Forrestania share for every 5.6 Kula shares held.

After extensive deliberation, careful consideration of the current market environment, Kula's funding requirements and exploration timetable, your Board has unanimously concluded that the Offer is fair and reasonable and represents the best outcome available to Kula shareholders at this time.

Accordingly, your Directors unanimously recommend that you ACCEPT the Offer, in the absence of a superior proposal.

**Key reasons for our recommendation**

1. The Offer delivers immediate value and removes funding and execution risk

Kula's highly prospective gold projects require significant ongoing exploration expenditure in a challenging capital markets environment for junior explorers. The Offer allows shareholders to exchange their Kula shares for scrip in a larger, more liquid ASX-listed vehicle that will have a stronger balance sheet and greater capacity to fund and advance the combined portfolio.

2. Shareholders will retain exposure to the upside of Kula's assets in a stronger combined entity

Upon completion, Kula shareholders (other than Forrestania, who currently holds approximately 13% of Kula's issued shares) will own approximately 20% of the merged group (assuming full acceptance under the Offer, and that Forrestania does not issue any other shares other than under its recently announced placement and to acquire Lake Johnston). You will continue to participate in the potential re-rating of the Marvel Loch projects alongside Forrestania's existing quality gold assets, but with reduced single-company risk, production outlook and improved market presence.

3. Significant premium to recent trading

The Offer represents a significant premium prior to the announcement of the bid.

4. Your directors intend to immediately accept the Offer

In the absence of a superior proposal, all directors of Kula who hold or control Kula Shares intend to accept the Offer in respect of all shares they own or control, demonstrating our confidence that the Offer is in the best interests of all shareholders.

**What should you do?**

In the absence of a superior proposal emerging, we strongly recommend that you ACCEPT the Offer as soon as you receive the Bidder's Statement and acceptance forms from Forrestania.

We do not expect an alternative bid now given time elapsed, Forrestania's position on the Kula register and its commanding southern cross gold resources and plant at Johnston Range.

Full details of the Offer and the reasons for your Board's recommendation are contained in this Target's Statement. We urge you to read the document carefully and consider the Offer in light of your personal circumstances.

On behalf of the Board, I thank you for your support of Kula Gold over the years. We believe this transaction provides an attractive opportunity to crystallise value and continue participating in this exciting Western Australian gold business from a position of greater strength.

Yours faithfully,



Chairman

Kula Gold Limited

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## 3 FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Offer, but must be read in conjunction with the more detailed information included in this Target's Statement and the Bidder's Statement. You are urged to read the Bidder's Statement and this Target's Statement in its entirety.

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|---|---|
| Who is the Bidder? | Forrestania Resources Limited ACN 647 899 698 (ASX: FRS). |
| What is the Offer? | Forrestania is offering to acquire all of your Kula Shares by way of an off-market takeover bid. |
| What will I receive if I accept the Offer? | If you accept the Offer and the Offer becomes unconditional, you will receive 1 Forrestania Share for every 5.6 Kula Shares that you own.<br>The Forrestania Shares will be issued as fully paid ordinary shares. |
| What is the Bidder's Statement? | The Bidder's Statement is the document prepared by Forrestania which sets out the terms of the Offer. Forrestania lodged its Bidder's Statement with ASIC on 24 November 2025. The Bidder's Statement will be sent to each Kula Shareholder registered on the Register Date. |
| What is the Target's Statement? | This Target's Statement is the Kula Board's formal response to the Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Kula and contains important information to help you decide whether to accept the Offer. |
| Has an independent expert's report been prepared in relation to the Offer? | No, as none was required under the Corporations Act. |
| What choices do I have in response to the Offer? | Before making any decision in relation to the Offer, the Board recommend that you read this Target's Statement in full and, if you have any doubt in what decision to make in relation to the Offer, to consult with a professional advisor.<br>As a Kula Shareholder, you have the following choices in respect of your Kula Shares:<br>(a) ACCEPT the Offer. The Directors recommended that you accept the Offer in the absence of a Superior Proposal; or<br>(b) not accept the Offer by doing nothing. |

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| | There are implications for you in relation to each of these choices. Those implications are outlined in section 6 of this Target's Statement. |
| What do the Directors recommend? | The Directors recommend that you ACCEPT the Offer, in the absence of a Superior Proposal, for the reasons set out in this Target's Statement. |
| What do the Directors intend to do with Kula Shares that they hold? | In accordance with the Bid Implementation Agreement, the Directors intend to procure the acceptance of Offers in respect of Kula Shares they own or control, in the absence of a Superior Proposal. |
| What happens if I reside outside Australia or New Zealand? | You can still accept the Offer.<br>If you accept the Offer and you are an Ineligible Foreign Shareholder, the Forrestania Shares that you would otherwise receive as consideration for your Kula Shares will be sold by the Sale Nominee and the net proceeds paid to you. See section 12.1(b) for details.<br>Forrestania has proposed to appoint Bell Potter Securities Ltd as the Sale Nominee, subject to ASIC approval. |
| How do I accept/reject the Offer? | Instructions on how to accept the Offer are set out in section 3 of the Bidder's Statement.<br>To reject the Offer, simply do nothing.<br>If you decide to do nothing, you should be aware of the rights of Forrestania to compulsorily acquire your Kula Shares in certain circumstances. Refer to section 10.14 of this Target's Statement for more information on compulsory acquisition. |
| How long will the Offer be open for acceptance? | The Offer is scheduled to close at 4pm (Perth time) on 8 January 2026 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act and as otherwise detailed in section 10.3 of this Target's Statement. |
| Can the Offer be varied? | Forrestania has not declared its Offer final. Accordingly it is open to Forrestania to increase the Offer Consideration in response to any competing takeover or other similar proposal from a third party. |
| What happens if a Superior Proposal is made by a third party? | If a Superior Proposal is made by a third party, and Forrestania improves the Offer Consideration, the Corporations Act entitles any Kula Shareholder who has already accepted the Offer to receive the benefit of the improved Offer Consideration. |

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| | If a Superior Proposal is made by a third party, Kula Shareholders who have already accepted the Offer at such time will not receive the benefit of the Superior Proposal made by the third party unless the offer closes with Conditions that have not been satisfied or waived.<br><br>As at the date of this Target's Statement, the Directors have not received a Superior Proposal. |
| Is the Offer conditional? | The Offer is subject to customary conditions and other conditions, including a minimum acceptance condition.<br><br>Under the minimum acceptance condition, the Offer is conditional on minimum acceptance of the Offer by Kula Shareholders such that, when taken together with Kula Shares already held by Forrestania, Forrestania would have a Relevant Interest in at least 50% of Kula Shares.<br><br>Refer to sections 10.4 and 10.5 of this Target's Statement for further details on the Conditions. |
| What are the consequences of accepting the Offer now, whilst it remains conditional? | If you accept the Offer now, unless withdrawal rights are available (see below), you will give up your right to sell your Kula Shares or otherwise deal with your Kula Shares while the Offer remains open. |
| If I accept the Offer now, can I withdraw my acceptance later? | If you accept the Offer, you may only withdraw your acceptance if Forrestania varies its Offer in a way that postpones the period Forrestania is required to satisfy its obligations by more than one month and the Offer is still subject to one or more Conditions. This will occur if Forrestania extends the Offer Period by more than one month while the Offer is still subject to any Condition. |
| Can I accept the Offer for only some of my Kula Shares? | No. You cannot accept the Offer for only some of your Kula Shares. You may only accept the Offer for all of your Kula Shares. However, if you hold one or more parcels of Kula Shares in separate entities, you may accept the Offer made to each entity. |
| When do I have to make a decision? | If you wish to accept the Offer, you must do so before its scheduled closing date. Forrestania has stated that its Offer remains open until 4pm (Perth time) on 8 January 2026, unless extended or withdrawn in accordance with the Corporations Act.<br><br>If you wish to reject the Offer, you do not need to do anything. |

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| When will I receive the consideration if I accept the Offer? | It is important to understand that even if you validly accept the Offer, you will not receive any consideration unless all of the Conditions are satisfied or waived.<br><br>If you validly accept the Offer and the Offer becomes unconditional then you will be provided with the Offer Consideration on or before the earlier of:<br><br>(a) one month after the date the Offer is validly accepted by you or, if the Offer is subject to a defeating condition when accepted, within one month after the Offer or the contract resulting from your acceptance of the Offer becomes unconditional; and<br><br>(b) 21 days after the end of the Offer Period, provided the Offer is unconditional. |
| What are the consequences of the Offer becoming unconditional? | If you accept the Offer and the Offer becomes unconditional, you will be entitled to receive the Offer Consideration in respect of your Kula Shares. |
| How will I know when the Offer is unconditional? | Forrestania is required to inform Kula and ASIC as soon as any Conditions are satisfied or waived.<br><br>Forrestania has set 1 January 2026 as the date on which it will give Kula and ASIC a notice required by law on the status of the Conditions. This date may be extended if the Offer Period is extended. |
| What happens if I do nothing? | If you do nothing, you will remain a Kula Shareholder.<br><br>If Forrestania acquires 90% or more of Kula Shares and the Offer becomes unconditional:<br><br>(a) Forrestania has stated in the Bidder's Statement that it intends to compulsorily acquire your Kula Shares;<br><br>(b) Forrestania will be required to offer to buy-out your Kula Shares.<br><br>See section 10.14 of this Target's Statement for more details. |
| Can I be forced to sell my Kula Shares? | You cannot be forced to sell your Kula Shares unless Forrestania is legally allowed to proceed to compulsory acquisition of Kula Shares. This requires Forrestania to acquire at least 90% of all Kula Shares (under the Offer or otherwise).<br><br>Forrestania has stated in the Bidder's Statement that it intends to compulsorily acquire your Kula Shares.<br><br>See section 10.14 of this Target's Statement for more details. |

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| What happens if the Conditions are not satisfied or waived? | If the Conditions are not satisfied or waived by the end of the Offer Period, the Offer will lapse. You will then be free to deal with your Kula Shares even if you had accepted the Offer. |
| Are there any taxation implications of accepting the Offer? | A general outline of the taxation implications for certain Kula Shareholders of accepting the Offer is set out in section 11 of this Target's Statement. As that outline is general in nature and does not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances.<br>You should also seek your own independent taxation advice as to the taxation implications applicable to your specific circumstances. |
| Can Forrestania extend the closing date of its Offer? | Yes. Forrestania has stated that its Offer remains open until 4pm (Perth time) on 8 January 2026. It is possible that Forrestania may choose to extend the Offer Period in accordance with the Corporations Act. |
| Is there a number I can call if I have further queries in relation to the Offer? | If you have any questions in relation to this Target's Statement or your shareholding in Kula please email (cosec@kulagold.com.au) or call (+61 466 319 424) from Monday to Friday between 9.00am and 5.00pm (Perth time). |

## 4 DIRECTORS' RECOMMENDATION

### 4.1 Summary of the Offer

Forrestania is offering to acquire all of your Kula Shares (and all Rights attaching to your Kula Shares) by way of an off-market takeover bid. If you accept the Offer and the Offer becomes unconditional, you will receive 1 Forrestania Share for every 5.6 Kula Shares that you own.

The Forrestania Shares will be issued as fully paid ordinary shares. The implied value of the Offer Consideration will fluctuate during the Offer Period with the Forrestania share price. Accordingly, if the Forrestania share price falls, the implied value of the Offer will fall.

Likewise, if the Forrestania share price increases, the implied value of the Offer Consideration will rise.

Following is a table that sets out the implied value of a Kula Share based upon the price of a Forrestania Share:

| Forrestania Share price ($) | Implied offer price for a Kula Share ($) |
|---|---|
| 0.170, being the lowest price of Forrestania Shares in the last 3 months | 0.030 |

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| 0.203, being the 10 day VWAP prior to the date of the Bidder's Statement | 0.036 |
| 0.245, being the last closing price prior to the Offer being announced) | 0.044 |
| 0.267, being the 10 day VWAP prior to the date of this Target's Statement | 0.048 |
| 0.281, being the 10 day VWAP prior to the Takeover Bid being announced | 0.05 |
| 0.32, being the highest price of Forrestania Shares in the last 3 months | 0.057 |

The Offer is subject to a number of conditions. See the Bidder's Statement and sections 10.4 and 10.5 of this Target's Statement for further details of the Conditions.

See section 12 of the Bidder's Statement for the full terms of the Offer.

### 4.2 Recommendation of the Directors

This Target's Statement sets out the formal response of the Directors to the Offer. In summary, the Company has entered into the Bid Implementation Agreement, under which Forrestania agreed to announce the Offer and the Board agreed to recommend the Offer and accept the Offer for all of the Shares they control. In entering the Bid Implementation Agreement, the Directors considered the benefits of Kula Shareholders being members of a combined Forrestania/Kula group, the reduced funding and execution risk and the significant premium the Offer represented to Kula's then prevailing share price.

For that reason the Directors have recommended that you ACCEPT the Offer in the absence of a Superior Proposal. Further comments in relation to the Directors' recommendation are set out in section 5.1 of this Target's Statement.

### 4.3 Intentions of the Directors

Each of the Directors intend to procure the acceptance of the Offer in respect of any Kula Shares that they own or control in the absence of a Superior Proposal.

Details of the interests of each Director in Kula Shares are set out in section 12.1 of this Target's Statement.

### 4.4 What to do next

To accept the Offer, you must follow the instructions in section 3 of the Bidder's Statement. To validly accept the Offer, your acceptance must be received before 4pm (Perth time) on 8 January 2026 unless the Offer Period is extended.

To reject the Offer, you do not need to take any action.



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## 5 REASONS TO ACCEPT OR REJECT THE OFFER

The Directors recommend that you accept the Offer made to you, in the absence of a Superior Proposal.

Set out below are some of the reasons for this recommendation. Also set out below is a summary of some of the reasons why you may decide to reject the Offer. You should read the Bidder's Statement and this Target's Statement in their entirety and Forrestania's ASX announcements before deciding whether or not to accept the Offer.

You should particularly consider the risk factors in sections 6.3 and 9 of this Target's Statement, which apply to the information in this section 5. While the Directors acknowledge that there are reasons to reject the Offer, the Directors believe the advantages of the Offer significantly outweigh the disadvantages, and for that reason intend to, in the absence of a Superior Proposal, accept the Offer in respect of all Kula Shares they own or control.

### 5.1 Reasons to ACCEPT the Offer

The Directors have carefully considered the Offer in the context of Kula's business and its future prospects in the absence of the Offer.

The Directors have recommended that you should ACCEPT the Offer (in the absence of a Superior Proposal) for the following key reasons:

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| The Offer delivers immediate value and reduces funding and execution risk | Kula's current projects require significant exploration funding. The Offer allows Kula Shareholders to exchange their Kula Shares for shares in Forrestania, which is a larger more liquid company with a more diverse portfolio of gold assets, a stronger balance sheet and a greater capacity to raise funds. |
| Kula Shareholders will become shareholders in Forrestania | Kula Shareholders who accept the Offer will become part of a larger and more advanced ASX-listed gold company, which is consolidating gold assets in the Southern Cross area. This will likely provide an earlier pathway to production.<br>Kula Shareholders who accept the Offer may benefit from holding Forrestania Shares. |
| Offer premium | The Offer price values Kula Shares at a significant premium of 41% to the volume weighted average price of Kula Shares for the 10 day trading period prior to the Offer being announced on 14 October 2025. |
| Your Directors intend to accept the Offer for their Kula Shares, absent a Superior Proposal | The Directors intend to procure the acceptance of Offers in respect of Kula |

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| | Shares they own or control, in the absence of a Superior Proposal. |
| No Superior Proposal has emerged | As at the date of this Target's Statement, Kula has not received any Competing Proposal from a third party, nor have any discussions occurred that the Directors believes are likely to lead to any Superior Proposal being made.<br><br>If Kula received a Competing Proposal, the Directors would need to consider all aspects of the proposal in determining whether it is superior to the Offer. |

### 5.2 Reasons to REJECT the Offer

Notwithstanding the reasons outlined above, the Directors recognises that some Kula Shareholders may consider rejecting the Offer.

You may disagree with the recommendation of the Directors to accept the Offer. Some of the reasons why you may decide not to accept the Offer are provided below.

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| Forrestania is yet to complete several acquisitions, including Lake Johnston and Hyden | Forrestania is yet to complete on several announced acquisitions, including Lake Johnston and Hyden (see sections 4.2 and 4.5 of the Bidder's Statement, and there is a risk that these acquisitions may not complete. |
| You may disagree with the conclusions of the Directors | In the Directors recommending acceptance of the Offer (in the absence of a Superior Proposal, the Directors are making judgements based on future events which are not predictable with certainty, and which may prove to be incorrect (either positively or negatively).<br><br>You may believe that the Offer Price of 1 Forrestania Share for every 5.6 Kula Shares is insufficient and you may hold a different view as to the value of Kula Shares to that of the Directors. |
| You may consider there is a possibility for a Superior Proposal to emerge in the foreseeable future | It is possible that a Superior Proposal for Kula could emerge in the future. However, as at the date of this Target's Statement, no Competing Proposal has been received. |

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| You may believe that the Offer Consideration is inadequate | You may believe that the Offer Consideration is inadequate and disagree with the recommendation of the Directors to accept the Offer in the absence of a Superior Proposal. |
| You may wish to remain a Shareholder in Kula | If you accept the Offer, you will no longer be entitled to exercise the rights of a Kula Shareholder, or participate in the future financial performance of Kula. |

## 6 YOUR CHOICES AS A KULA SHAREHOLDER

The Directors have recommended that you ACCEPT the Offer, in the absence of a Superior Proposal.

However, as a Kula Shareholder, you have the following choices available to you in response to the Offer:

### 6.1 Accept the Offer

Kula Shareholders may elect to accept the Offer for all of their Kula Shares. Details of the consideration that will be received by Kula Shareholders who accept the Offer are set out in section 10.2 of this Target's Statement and in the Bidder's Statement. You should be aware that if you choose to accept the Offer:

(a) you will not be able to accept a Superior Proposal from any other bidder if such an offer is made;

(b) you may only withdraw your acceptance if Forrestania varies its Offer in a way that postpones the period Forrestania is required to satisfy its obligations by more than one month and the Offer is still subject to one or more Conditions;

(c) you will lose the opportunity to receive future benefits as a Kula Shareholder; and

(d) you may incur a tax liability as a result of the sale.

Section 3 of the Bidder's Statement contains details of how to accept the Offer.

If you accept the Offer, you may be liable for CGT or income taxes as a result of your acceptance. A general outline of the taxation implications for certain Kula Shareholders of accepting the Offer is set out in section 11 of this Target's Statement.

Kula encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Kula Shares.

### 6.2 Reject the Offer

You can reject the Offer by simply doing nothing. If you reject the Offer, you will retain all of your Kula Shares.



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You should note that if you choose to reject the Offer by simply doing nothing, and retain all of your Kula Shares, you may be exposed to a number of risks which have been outlined in section 6.3 of this Target's Statement.

### 6.3 Risks of not accepting the Offer

Forrestania's intentions for Kula are described in section 7 of the Bidder's Statement, but those intentions may change.

If you do not accept the Offer, maintaining your investment in Kula may mean that you are exposed to the risks outlined below, depending on the outcome of the Offer. The risks presented in this section are not designed to be an exhaustive list, but to highlight some of the key potential risks of not accepting the Offer.

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| Control of Kula | The Offer has a minimum acceptance condition of 50%. If Forrestania acquires a minimum of 50% of Kula Shares pursuant to the Offer and you have not accepted the Offer, you will become a minority shareholder in a Kula controlled by Forrestania. In these circumstances:<br>(a) Composition of Kula's Board. Under the Bid Implementation Agreement, as soon as practicable after Forrestania has a Relevant Interest in more than 50% of the Kula Shares and the Offer becomes or is declared unconditional, Kula must take all actions necessary to ensure the resignation and appointment of directors of Kula such that a majority of the directors of Kula are directors nominated by Forrestania, but provided that:<br>(i) a minimum of two of the existing Kula Board remain;<br>(ii) a proper board is constituted at all times; and<br>(iii) Forrestania procures that its appointees to the Kula Board do not participate in decisions of Forrestania in relation to the Takeover Bid until after the Bid Implementation Agreement is terminated and the end of the Offer Period, (or such later date as Forrestania and Kula agree) and a quorum remains for that purpose.<br>(b) Control of Kula: Forrestania will be in a position to cast the majority of votes at a general meeting of Kula and pass ordinary resolutions and special resolutions. This will enable it to control the composition of the Kula Board and could, among other outcomes, result in a change in the current strategic direction of Kula.<br>Forrestania will, in the event it waives the minimum acceptance condition hold a minimum of approximately 21.51% of the Company's issued Shares – representing Forrestania's current holding and the holding of Directors (who have agreed under the Bid Implementation Agreement to accept the Offer, subject to there being no Superior |

| | |
|---|---|
| | Proposal). Whilst this holding does not confer upon Forrestania the right to appoint any Directors to Kula's Board, this holding will give Forrestania a degree of control over Kula. |
| Risk if Forrestania acquires a Relevant Interest in 90% or more of Kula Shares | Kula Shareholders should note that if Forrestania acquires a Relevant Interest in 90% of Kula Shares during or at the end of the Offer Period Forrestania will be entitled to compulsorily acquire the Kula Shares it does not already own. Forrestania has stated in the Bidder's Statement that it intends to compulsorily acquire your Kula Shares in such circumstances.<br><br>Forrestania will be required under the Corporations Act to offer to acquire your Kula Shares for the Offer Consideration during, or within one month after the end of, the Offer Period. |

### 6.4 Minority shareholder protections

In the event that Forrestania has a Relevant Interest in less than 100% of all Kula Shares, the implementation of Forrestania's intentions as set out in section 7 of the Bidder's Statement will be subject to:

(a) the Corporations Act (including, without limitation, those provisions intended for the protection of minority shareholders);

(b) Kula' constitution and the statutory and fiduciary obligations of Kula' Directors at that time to act in the best interests of Kula and all Kula Shareholders;

(c) in certain circumstances, minority shareholder approval, in respect of which Forrestania may not be able to vote as an interested party;

(d) statutory protection regulating minority shareholder rights; and

(e) statutory protection against oppression.

## 7 INFORMATION ON KULA

### 7.1 Introduction

Kula is a mineral exploration company with key gold projects in the Southern Cross Region – featuring the historic high-grade Mt Palmer Gold Mine (80% interest) near Marvel Loch, and the Kirup and Brunswick regions of Western Australia. Kula acquired the Wozi Niobium Project in Malawi in mid-2025.

(a) Mt Palmer

Kula has an 80% interest in the Mt Palmer Gold Project, located within Western Australia's Southern Cross Goldfields. The Mt Palmer Gold Mine itself produced more than 150,000 ounces of gold at a grade of 15.9g/t during the period from 1934 to 1944. The Mt Palmer mine closed in part due to World War 2, and the mine never re-opened. Significantly, Mt Palmer lies north of the Nevoria Gold Mine (+600,000 oz) and the Yilgarn Star mine (2M oz), and 30km east of the Marvel Loch Gold Mine (3M oz). The historic Mt Palmer Gold Mine was mined down to only the 6th Level (~160m), but at a grade of 15.9 g/t Au.



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Kula acquired its 80% interest in May 2024 and it has subsequently undertaken significant exploration.

On 28 July 2025 Kula announced a maiden JORC 2012-compliance mineral resource estimate for the Mt Palmer gold mine tailings of 98,534 tonnes at 0.63g/t gold.

Recent exploration results include (see Kula's announcement on 13 November 2025):

| Hole ID | Prospect | Gold Intercept | Significant Gold Intercepts (Gram-Metres) |
|---|---|---|---|
| 25MPRC0059 | EAST LODE | 15m @ 9.4g/t gold (from 87m) | 140# |
| 25MPRC0035 | NEW REEF | 3m @ 36.0g/t gold (from 17m) | 108 |
| 25MPRC0018 | NEW REEF | 10m @ 9.2g/t gold (from 30m) | 92 |
| 25MPRC0012 | EPIS | 18m @ 4.40g/t gold (from 0m) | 79 |
| 25MPRC0007 | EPIS | 7m @ 7.70g/t gold (from 0m) | 54 |
| 25MPRC0032 | WEST LODE | 2m @ 18.1g/t gold (from 23m) | 36 |
| YSR790* | NORTH YILGARN STAR | 5m @ 6.80g/t gold (from 15m) | 34 |
| 25MPRC0001 | BRYANT | 7m @ 3.54g/t gold (from 20m) | 25 |
| 25MPRC0052 | J2 | 14m @ 1.68g/t gold (from 15m) | 24 |
| 25MPRC0054 | EL DORADO | 8m @ 2.76g/t gold (from 24m) | 22 |

(b) Wozi Niobium Project, Malawi – 75%

Kula acquired its interest in the project in July 2025, with the remaining 25% held by African Rare Metals Pty Limited (ARM), an unrelated third party. Kula is required to sole fund the initial exploration programme of US$100,000 and ARM has a 2% NSR royalty. ARM may dilute to 10% following which it will be free carried until a decision to mine.

The Wozi Niobium Project is in Malawi, 225km north of the capital Lilongwe. The project comprises one exploration licence covering approximately 5.52km$^2$ of igneous and metamorphic rocks of the Precambrian to Lower Palaeozoic Basement of the Mozambique Orogenic Belt within the Malawi Rift Valley System, which forms part of the greater East African Rift Valley System. The project area was previously held by Mantra Resources Limited (Mantra), which undertook exploration on the area in 2007-2008 and announced results to ASX on 2 August 2007, September 2007 Quarterly Report and 31 October 2007 under the 2004 edition of the JORC Code. These announcements may not conform to the requirements of the JORC Code 2012,

however Kula considers the announcements to be reliable (see Kula's announcement 4 July 2025).

Kula has undertaken a soil sampling program which showed a highly anomalous niobium sit along the contact zone of the nepheline syenite stock, including a robust +0.4% $Nb_2O_5$ soil anomaly with a strike of about 1.5km long averaging around 200m wide with a peak value of 1.08% $Nb_2O_5$ (see Kula's announcement 25 September 2025).

Kula will commence a maiden drill program in December 2025, with updates to be announced to ASX in due course.

(c) Marvel Loch Project – 100%

Kula owns the large Boomerang Kaolin Deposit, a 93.3 million tonne deposit with an indicated resource of 15.2Mt & inferred resource of 78.1Mt near Southern Cross Western Australia.

Kula is marketing the project.

### 7.2 Directors

As at the date of this Target's Statement, the Directors are:

| Director | Position |
|---|---|
| Mark Stowell | Chairman |
| Ric Dawson | Director |
| Mark Bojanjac | Director |

### 7.3 Directors' Recommendation

Having considered in detail the advantages, disadvantages and merits of the Offer detailed in this Target's Statement and the Bidder's Statement the Directors recommend that you accept the Offer, in the absence of a Superior Proposal for the reasons set out in section 4 of this Target's Statement.

### 7.4 Share capital

As at the date of this Target's Statement, Kula has the following equity securities on issue:

| | |
|---|---|
| Kula Shares | 1,151,567,105 |
| Kula unquoted Options | 63,350,000 |

### 7.5 Historical financial information of Kula

Kula' last published financial statements are for the half year ended 30 June 2025. Those statements (as extracted from Kula' accounts) are summarised below.



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| | 30 June 2025 $ | 31 December 2024 $ | 30 June 2024 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 54,632 | 39,314 | 755,583 |
| Receivables and other assets | 43,083 | 105,084 | 374,360 |
| **Total current assets** | 97,715 | 144,398 | 1,129,943 |
| | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 30,005 | 35,092 | 37,782 |
| Right-of-use assets | 20,845 | 31,267 | 41,690 |
| Exploration tenement | 2,175,611 | 1,664,539 | 1,626,297 |
| **Total non-current assets** | 2,226,461 | 1,730,898 | 1,705,769 |
| **Total assets** | 2,324,176 | 1,875,296 | 2,835,712 |
| | | | |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 239,334 | 332,892 | 220,208 |
| Borrowings | 348,793 | 467,477 | - |
| Provisions | 8,908 | 10,761 | 10,761 |
| Lease liability | 23,200 | 11,522 | 10,391 |
| **Total current liabilities** | 620,235 | 822,652 | 241,360 |
| | | | |
| **Non-current liabilities** | | | |
| Lease liability | - | 22,069 | 33,591 |
| **Total non-current liabilities** | - | 22,069 | 33,591 |
| **Total liabilities** | 620,235 | 844,721 | 274,951 |
| **Net assets** | 1,703,941 | 1,030,575 | 2,560,761 |
| | | | |
| **EQUITY** | | | |
| Share capital | 159,185,034 | 157,942,785 | 157,799,205 |
| Reserves | 1,022,954 | 934,577 | 820,872 |
| Accumulated losses | (158,504,047) | (157,846,787) | (156,059,316) |
| **Equity attributable to equity holders of parent** | 1,703,941 | 1,030,575 | 2,560,761 |
| Non-controlling interest | - | - | - |
| **Total equity** | 1,703,941 | 1,030,575 | 2,560,761 |

### 7.6 Dividend

As at the date of this Target's Statement, the Directors have no intention of declaring or paying any dividends in respect of Kula Shares.

### 7.7 Material litigation

As far as the Directors are aware, Kula is not involved in any ongoing litigation which is material in the context of Kula and its Related Bodies Corporate taken as a whole.

### 7.8 Publicly available information about Kula

Kula is an disclosing entity for the purposes of the Corporations Act and therefore is subject to certain continuous disclosure obligations. As a public company, Kula is also required to lodge various documents with ASIC and ASX.



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Copies of documents lodged with ASX by Kula may be obtained from asx.com.au.

The most recent financial statements of Kula, being the half year audit reviewed report for the half year ending 30 June 2025, was lodged with ASIC on 2 September 2025.

## 8 INFORMATION ON FORRESTANIA

### 8.1 Important notice

The following information about Forrestania is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, Kula does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information in relation to Forrestania in this Target's Statement should not be considered comprehensive.

For more information on Forrestania, please refer to:

(a) sections 4, 5 and 8 of the Bidder's Statement;

(b) the website of Forrestania, www.forrestaniaresources.com.au; and

(c) the ASX disclosures of Forrestania available on the ASX website at www.asx.com.au (under the company code "FRS").

### 8.2 Overview of Forrestania

Forrestania (ASX: FRS) is a rapidly growing gold exploration and development company focused on building a portfolio of high-quality projects across Western Australia's premier gold mining districts.

Forrestania is expanding its footprint across the Southern Cross/Westonia, Forrestania and Eastern Goldfields regions through disciplined exploration, selective acquisitions, and a commitment to unlocking the broader potential of these highly prospective belts.

The Company's strategy is supported by a clear 'Three-Tier Growth Charter':

(a) 'Reposition Forrestania' – consolidate, refocus and strengthen its portfolio;

(b) 'Disciplined Growth Strategy' – pursue accretive acquisitions and leverage record gold prices; and

(c) 'From Exploration to Execution' – transition toward near-term development and production.

Forrestania holds rights to JORC-compliant Resources totalling approximately 296,210 ounces of gold, with approximately 67% of these Resources located on granted mining leases. As at 30 September 2025 the Company has a cash balance of A$4.97 million and no debt.

### 8.3 Forrestania's key objectives

Over the recent months, Forrestania has undertaken an expansion program within its established exploration corridor in Western Australia. Forrestania has executed a series of acquisitions comprising prospecting licences, exploration licences, and mining leases, secured either through tenement acquisitions or share purchase agreements with unrelated third-party vendors, as well as option agreements that have yet to be exercised.



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The acquisitions are of tenure all located within Forrestania's historical areas of operation and are prospective for gold, with the objective securing additional gold ounces, whether classified as existing JORC-compliant resources or as exploration targets with potential to be upgraded to JORC standard through further exploration success.

Since April 2025, Forrestania has completed the following material acquisitions:

(a) Expansion to flagship Forrestania project: As announced on 17 September 2025, Forrestania has acquired exploration licence E77/3046 near existing Forrestania holdings, expanding its ground south of Southern Cross in a geologically prospective zone.

(b) Ada Ann Tenement Expansion: As announced on 6 August 2025, Forrestania has acquired three new tenement applications near Coolgardie, expanding its Ada Ann gold footprint in a highly prospective zone. As at the date of this Target's Statement, the applications are not yet granted.

(c) North Iron Cap acquisition: As announced 4 November 2025, Forrestania has acquired 100% of North Iron Cap Pty Ltd, which holds the gold rights over M77/544, the North Iron Cap deposit in the Forrestania Greenbelt, south of Southern Cross.

(d) British Hill acquisition: As announced on 18 September 2025, Forrestania has completed the acquisition of 100% of IMD Gold Pty Ltd, owner of the British Hill Gold Project (M77/1256 and E77/1965), which holds a JORC (2012) compliant Mineral Resource Estimate of 1.17 Mt @ 1.5 g/t Au for 55,888 oz.

(e) First Western Gold acquisition: As announced on 17 October 2025, Forrestania has completed the acquisition of First Western Gold Pty Ltd from Askari Metals (ASX: AS2). The project includes a JORC (2012) compliant Mineral Resource of 82.7koz Au at 1.5g/t cut off grade.

In addition, Forrestania holds an option to acquire 100% of Hyden Resources Pty Ltd (ACN 675 890 641) (HRPL) from Lantech Developments Pty Ltd (ACN 007 034 684) (Lantech).

HRPL is the holder of 100% of the shares in Hyden Project Holdings Pty Ltd (ACN 141 995 217) 14 (HPH) which is the registered holder of a suite of tenements within the Forrestania region (comprising M77/1310, E77/2207, E77/2219, E77/2220, E77/2239, E77/2460, E77/2711 and P77/4534). Forrestania's announcements on 11 August 2025 and 3 November 2025 include further details on the Hyden assets, the option agreement and the disclosures around HRPL and HPH.

HRPL is presently the respondent to proceedings in the Supreme Court of Western Australia (CIV 1381/2025) commenced by Classic Minerals Limited (Classic) relating to the ownership of the tenements outlined above. Classic also claims an 80% beneficial interest in the gold rights on those tenements (see its announcement to ASX on 30 October 2025). Classic has stated in public announcements that, pursuant to its legal advice, it is seeking enforcement of the agreement to acquire the tenements from HRPL. Forrestania's due diligence on HRPL, including these matters, is ongoing.

### 8.4 Announced incomplete transactions

Forrestania is acquisitive and has announced the following transactions which are currently on foot and have not yet completed:

(a) Outback Minerals Option: as announced on 2 April 2025, Forrestania exercised an option to acquire two additional project areas from Outback Minerals Pty Ltd. The tenure that is proposed to be acquired includes the Company's Bonnie Vale Project as well as tenure in proximity to the Company's Breakaway Dam Project. Under the agreement with Outback Minerals Pty Ltd, Forrestania is required to issue $1.1 million worth of consideration shares (subject to a maximum of 5,500,000 Forrestania Shares) to Outback Minerals Pty Ltd on or before 5 May 2026. The consideration under this acquisition has not yet been issued.

(b) McGhie: On 9 August 2025, Forrestania entered into a mineral rights sale agreement with Bradley John McGhie for the acquisition of certain mineral rights contained within a prospecting licence and a mining lease application in Western Australia for $120,000 in cash and the grant of a 2.5% net smelter return royalty in respect of any minerals from the area within the boundaries of the tenements.

(c) Allen: On 15 September 2025, Forrestania entered into a binding sale agreement with Diane Elizabeth Allen for the acquisition of an exploration licence in Western Australia for $20,000 cash.

(d) Golden Strike: On 23 September 2025, Forrestania entered into a binding heads of agreement with Golden Strike Pty Ltd to acquire 2 prospecting licence applications for $15,000 cash.

(e) Jaurdi Hill: On 18 November 2025, Forrestania announced that it had entered into three binding agreements to acquire Fenton and Martin Mining Developments Pty Ltd (Fenton), Australian Live-Stock Suppliers Pty Ltd (Australian Live-Stock) and Diggers & Dealers Mining Pty Ltd (Diggers) from their respective shareholders. The entities collectively beneficially or legally hold 2 prospecting licenses, 8 mining licences and one mining licence application in Western Australia. The consideration for each acquisition is as follows:

    (i) Fenton: Forrestania has agreed to pay the shareholders of Fenton $100 at settlement.

    (ii) Australian Live-Stock: Forrestania has agreed to pay the shareholders of Australian Live-Stock $1,399,660 at settlement and, following settlement, where Forrestania announces to the ASX a JORC-compliant Mineral Resource Estimate (Resource) on the tenements sold by Australian Live-Stock the following additional consideration:

        (A) a Resource less than 20,000 ounces of gold: nil additional consideration;

        (B) a Resource of 25,000 ounces or more: $350,000 cash; and

        (C) a Resource of 20,000 ounces of gold, but less than 25,000 ounces of gold; $70 per ounce between 20,000 and 25,000 ounces.

    Additionally, Forrestania has agreed to grant Australian Live-Stock a 2% gross revenue royalty on all gold mined from the tenements, payable only after Forrestania has mined 25,000 of gold from the tenements.

    (iii) Diggers: Forrestania has agreed to pay the shareholders of Diggers $300 in cash at settlement. Following settlement, if Forrestania announces a JORC



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compliant Resource of at least 25,000 ounces of gold (at a cut-off grade of 1.5 g/t) on the tenements sold by Diggers, an additional $350,000 cash payment will be made to the shareholders of Diggers. In addition, the Company has agreed to pay the shareholders of Diggers a 2% gross revenue royalty on all gold mined from the tenements, payable only after Forrestania has mined 25,000 ounces of gold from those tenements.

(f) Lake Johnston: As announced on 18 November 2025, Forrestania has entered a binding agreement to acquire the Lake Johnston Project from Poseidon Nickel Pty Limited (a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ). The Lake Johnston Project includes infrastructure such as a 1.5Mtpa processing plant which Forrestania intends on refurbishing to process gold as well as accommodation and workshop facilities. In consideration for the acquisition of the Lake Johnston Project, Forrestania has agreed to pay/issue Horizon Minerals Limited the following:

(i) upon signing of the Agreement, $2,000,000 in immediately available funds, which has been paid by Forrestania;

(ii) upon signing a full form asset sale and purchase agreement for the transaction:

(A) $14,000,000 in immediately available funds; and

(B) 28,571,428 Forrestania Shares, being $5,000,000 at an issue price of $0.175 per Forrestania Share; and

(C) on completion of the transaction, $14,000,000 in immediately available funds.

**8.5 Financial information**

In the financial year ended 30 June 2025, Forrestania, on a consolidated basis, reported an after tax loss of $1,419,856, total assets of $7,480,888 and total equity of $7,019,765.

The full financial accounts for Forrestania for the financial year ended 30 June 2025, which include the notes to the accounts, can be found in the annual financial report for Forrestania for that period.

For more details on the financial information on Forrestania, including events which have occurred since 30 June 2025, refer to section 4 of the Bidder's Statement.

**8.6 Forrestania directors**

As at the date of this Target's Statement, the directors of Forrestania are:

| Director | Position |
|---|---|
| David Geraghty | Non-executive Chairman |
| Daniel Raihani | Non-executive Director |
| Adam Turnbull | Non-executive Director |



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# 9 RISK FACTORS

## 9.1 Introduction

The risk factors presented in this section 9 and section 6.3 are not an exhaustive list of all risks and risk factors related to Kula, Forrestania or the Offer. Additional risks and uncertainties not currently known to Kula may also have an adverse impact on Kula or Forrestania.

This section does not take into account the investment objectives, financial situation, position or particular needs of Kula Shareholders. Each Kula Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

## 9.2 Risks associated with accepting the Offer

(a) Conditions of the Offer

The Offer is subject to a number of Conditions as described in section 10.4 of this Target's Statement and section 12.8 of the Bidder's Statement.

If the Conditions are not satisfied or waived by the applicable date, the Offer will not be free of Conditions and therefore will not proceed. In the meantime, accepting the Offer precludes dealing with the Kula Shares the subject of the acceptance, save for limited circumstances.

(b) Potential capital gains tax

The Offer is subject to a minimum acceptance condition of 50%, although Forrestania may waive this condition at its election.

Where 80% ownership threshold is not met during the Offer, scrip for scrip rollover requirements will not be satisfied, but Kula Shareholders who accepted the Offer will still have disposed of their Kula Shares. In this situation, Kula Shareholders who accept the Offer and receive Forrestania Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the Forrestania Shares received in exchange for the Kula Shares.

(c) Limited withdrawal rights

If you accept the Offer, you may only withdraw your acceptance if Forrestania varies its Offer in a way that postpones the period Forrestania is required to satisfy its obligations by more than one month and the Offer is still subject to one or more Conditions. This will occur if Forrestania extends the Offer Period by more than one month while the Offer is still subject to any Condition.

(d) If a Superior Proposal is announced you will not be able to withdraw your acceptance of the Offer

If a Superior Proposal is made by a third party, Kula Shareholders who have already accepted the Offer at such time will not receive the benefit of the Superior Proposal made by the third party unless the offer closes with Conditions that have not been satisfied or waived.

As at the date of this Target's Statement, the Directors are not aware of any Superior Proposal.

(e) Offer Consideration

Forrestania has offered 1 Forrestania Share of each 5.6 Kula Shares held. As Forrestania Shares are listed on the ASX, the implied value of the Offer Consideration will fluctuate during the Offer Period with the Forrestania share price. Accordingly, if the Forrestania share price falls, the implied value of the Offer will fall. Likewise, if the Forrestania Share price increases, the implied value of the Offer Consideration will rise.

**9.3 Risks associated with retaining Kula Shares**

(a) Minority holding

Forrestania will, in the event it waives the minimum acceptance condition hold a minimum of approximately 21.5% of the Company's issued Shares – representing Forrestania's current holding and the holding of Directors (who have agreed under the Bid Implementation Agreement agreed to accept the Offer, subject to there being no Superior Proposal). Whilst this holding does not confer upon Forrestania the right to appoint any Directors to Kula's Board, this holding will give Forrestania a degree of control over Kula.

(b) Ongoing funding requirements

Kula is a junior exploration company reliant on raising funds for exploration and administration costs. There is a risk that Kula may not be able to raise funds, or raise funds on terms that dilute existing shareholders.

(c) Exploration risks

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically recoverable Ore Reserves, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

No assurance can be given that further exploration work will be successful or that a commercial mining operation will eventuate.

(d) Development risks

On 28 July 2025 Kula announced a JORC 2012 compliant inferred resource of 98,534 tonnes at 0.63 g/t Au from tailings at Mt Palmer.



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Beyond this inferred resource, the ultimate success and financial viability of Kula depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities and competent operational and managerial performance.

There is no assurance that exploration and development of the mineral interests held by the Company, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

**9.4 Risks associated with being a Forrestania shareholder**

There are certain risks involved in holding Forrestania Shares and those risks are outlined in section 10 of the Bidder's Statement. The Kula Board draws your attention to these risks.

Kula Shareholders should be aware that there are risks associated with any investment in financial products quoted on a securities exchange. Share price movements could affect the value of consideration paid under the Offer and the value of any investment in Forrestania. Furthermore, past results are not necessarily indicative of future performance. The price of Forrestania Shares (including the Forrestania Shares to be issued pursuant to the Offer) on ASX will be affected by the financial performance of Forrestania and may rise or fall due to numerous factors including:

(a) the price for gold;

(b) Australian and international general economic conditions, labour costs including inflation rates, the level of economic activity, interest rates and currency exchange rates;

(c) general trends in the Australian and overseas equity markets;

(d) tension and acts of terrorism in Australia and around the world;

(e) investor perceptions in the local and global markets for listed securities; and

One or more of these factors may cause Forrestania Shares to trade below current prices and may adversely affect the financial position and performance of Forrestania. In addition, broader market factors affecting the price of Forrestania Shares are unpredictable and price changes may be unrelated or disproportionate to the financial or operating performance of Forrestania.

The past performance of Forrestania is not necessarily an indication as to future performance of Forrestania as the trading price of shares can go up or down. Neither Forrestania nor the Forrestania Directors represent or warrant the future performance of Forrestania, Forrestania Shares or any return on an investment in Forrestania.

**9.5 Risks related to the outcome of the Offer**

If you do not accept the Offer, and the Offer completes (because the Offer conditions, including the minimum acceptance condition are either satisfied or waived by Forrestania), Forrestania will acquire control of Kula and will have enhanced capacity to influence the



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manner in which Kula' business is conducted. Forrestania's intentions for Kula are detailed in section 7 of the Bidder's Statement, but those intentions may change. See section 6.3 of this Target's Statement for further details.

## 10 KEY FEATURES OF THE OFFER

### 10.1 The Offer

Forrestania is offering to acquire all of the Kula Shares from Kula Shareholders. The Offer relates to Kula Shares that exist as at the Register Date.

You may only accept the Offer in respect of all (and not a part) of your Kula Shares.

### 10.2 Offer Consideration

The Offer Consideration is the issue of 1 Forrestania Share for every 5.6 Kula Share that you own.

The Forrestania Shares will be issued as fully paid ordinary shares. The implied value of the Offer Consideration will fluctuate during the Offer Period with the Forrestania share price. Accordingly, if the F orrestania share price falls, the implied value of the Offer will fall.

Likewise, if the Forrestania share price increases, the implied value of the Offer Consideration will rise.

To comply with relevant laws, Forrestania will appoint the Sale Nominee to sell any Forrestania Shares issued to Ineligible Foreign Shareholders who accept the Offer, with the Sale Nominee accounting to those Ineligible Foreign Shareholders for the net proceeds. See section 12.1(b) for details.

### 10.3 Offer Period

The Offer is currently open for acceptance and will close at 4pm (Perth time) on 8 January 2026 unless the Offer is extended or withdrawn in accordance with the Corporations Act.

The circumstances in which Forrestania may extend or withdraw the Offer are set out in section 10.8 and 10.9 of this Target's Statement.

### 10.4 Conditions

The Offer is subject to customary conditions and other conditions including a minimum acceptance condition which are set out in full in the Bidder's Statement.

In summary, the Conditions of the Offer are:

(a) Minimum acceptance: At or before the end of the Offer Period, Forrestania has a Relevant Interest in the number of Kula Shares that represents at least 50% of the aggregate of all the Kula Shares on issue (on a fully diluted basis).

(b) No regulatory action: No regulatory action occurs between the Announcement Date and the end of the Offer Period which, among other things materially impacts the Offer.



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(c) No Prescribed Occurrence: No Prescribed Occurrence occurring in the period between the Announcement Date and the date 3 Business Days after the end of the Offer Period (both inclusive).

If any of the Conditions are not satisfied or have not been waived, Forrestania will have the option as to whether to proceed with the Offer or allow the Offer to lapse. If the Offer lapses, all acceptances of the Offer will be void and of no effect.

Refer to section 12.8 the Bidder's Statement for full particulars of the conditions to the Offer, the nature of the conditions and Forrestania's ability to free the Offer from the conditions.

**10.5 Status of Conditions**

Forrestania has set 1 January 2026 as the date on which it will give Kula and ASIC a notice required by law on the status of the Conditions. This date may be extended if the Offer Period is extended.

The Offer will lapse if the Conditions are not satisfied or waived by the end of the Offer Period, in which case all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation you will remain a Kula Shareholder.

**10.6 Effect of an improvement in Offer Consideration for Shareholders who have already accepted**

If Forrestania improves its Offer Consideration, all Kula Shareholders, whether or not they have accepted the Offer before that improvement, will be entitled to the benefit of that improved Offer Consideration.

**10.7 Variation of the Offer**

Forrestania may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period, provided the varied terms and conditions are not less favourable to Kula Shareholders than the Offer. If Forrestania varies the Offer in any of those ways, it must give written notice to ASIC and Kula and send you a copy of that notice (provided, however, that Forrestania will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).

**10.8 Extension of Offer Period**

Forrestania may extend the Offer Period at any time before giving the notice on the status of the Conditions (refer to Section 10.5 of this Target's Statement above) while the Offer is subject to the Conditions. However, if the Offer is unconditional, Forrestania may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period,:

(a) Forrestania's voting power in Kula increases to more than 50% or

(b) the Offer is varied to improve the Offer Consideration.



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In this case the Offer Period will be automatically extended so that it ends 14 days after the increase in Forrestania's voting power in Kula increases to more than 50% or the improvement in the Offer Consideration (as applicable).

**10.9 Withdrawal of Offer**

Forrestania may withdraw its Offer with the written consent of ASIC and subject to the conditions (if any) specified in ASIC's consent.

**10.10 Effect of acceptance**

If you accept the Offer then, unless withdrawal rights are available (see below) and you exercise these rights, you will give up your right to sell your Kula Shares to any other person that may make a takeover bid, or to otherwise deal with your Kula Shares in any manner.

**10.11 Limited ability to withdraw your acceptance**

If you accept the Offer, you may only withdraw your acceptance of the Offer if Forrestania varies its Offer in a way that postpones for more than one month the time when Forrestania needs to meet its obligations under the Offer. This will occur if Forrestania extends the Offer Period by more than one month and the Offer is still subject to Conditions.

**10.12 Timing for receipt of consideration if you accept**

If the Offer becomes unconditional, you will receive your consideration from Forrestania on or before the earlier of:

(a) one month after the contract resulting from your acceptance of the Offer becoming unconditional; and

(b) 21 days after the end of the Offer Period.

Refer to section 12.7 of the Bidder's Statement for further details on when you will receive the consideration from Forrestania.

**10.13 Consequences of Forrestania acquiring less than 90% of Kula**

The Offer has a minimum acceptance condition of 50%, although Forrestania may waive this at its election. If Forrestania acquires 50% or more but less than 90% of the Kula Shares then, assuming all other Conditions to the Offer are satisfied or waived, Forrestania will acquire a majority shareholding in Kula.

In those circumstances Kula Shareholders who do not accept the Offer will become minority shareholders of Kula. Forrestania will be in a position to cast the majority of votes at a general meeting of Kula. This will enable it to control the composition of the Kula Board and senior management and control the strategic direction of the businesses of Kula and its subsidiaries.

In addition, where Forrestania acquires 75% or more of the Kula Shares it will be able to pass a special resolution at a meeting of Kula Shareholders. This would enable Forrestania, among other things, to pass amendments to Kula' constitution.

**10.14 Compulsory acquisition and buy-out**

(a) Compulsory acquisition following Offer



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If Forrestania acquires a Relevant Interest in 90% of Kula Shares during or at the end of the Offer Period, Forrestania will be entitled to compulsorily acquire the Kula Shares it does not already own. Forrestania has stated in the Bidder's Statement that it intends to compulsorily acquire all Kula Shares in such circumstances.

(b) Future compulsory acquisition by Forrestania

Even if Forrestania does not satisfy the 90% compulsory acquisition threshold referred to above, it is possible that Forrestania will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Kula Shares. Forrestania would then have rights to compulsorily acquire Kula Shares not owned by it within six months of becoming the holder of 90%. The price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

(c) Challenging compulsory acquisition

Kula Shareholders have statutory rights to challenge any compulsory acquisition. However a successful challenge will require the relevant Kula Shareholders to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for the Kula Shares. If Kula Shares are compulsorily acquired, Shareholders who have their Kula Shares compulsorily acquired are not likely to receive consideration from Forrestania until at least one month after the compulsory acquisition notices are dispatched to them.

### 10.15 Kula Options

Forrestania will extend the Offer to any Kula Shares issued on exercise of Kula Options prior to the end of the Offer Period.

With respect to any Kula Options not exercised prior to the end of the Offer Period, Forrestania has, under the Bid Implementation Agreement and where the terms of such Options allow for it, agreed to offer to cancel such Options for a price determined using the Black-Scholes model, to be satisfied through the issue of Forrestania Shares at a fixed issue price of $0.286 per Forrestania Share. See section 12.1(c) for details.

## 11 TAXATION CONSEQUENCES

This section does not constitute financial product advice as defined in the Corporations Act and is confined to taxation issues. Kula Shareholders should consider seeking advice from a licensed adviser, before making a decision about their relevant investments.

The following is a general summary of the Australian income tax (including CGT), stamp duty and Goods and Services Tax (GST) consequences applicable to a Kula Shareholder who disposes of their Kula Shares under the Offer. This outline is based on the current provisions of the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth), the Taxation Administration Act 1953 (Cth) and the regulations made under those Acts and the current administrative practices of the Australian Taxation Office (ATO) as at the date of this Target's Statement.

The outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.



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The following outline is not exhaustive of all possible Australian income tax considerations that could apply to Kula Shareholders. The summary is only relevant to those Kula Shareholders who hold their Kula Shares on capital account and it does not address all tax considerations applicable to Kula Shareholders.

The summary does not apply to Kula Shareholders:

(a) that may be subject to special tax rules, such as partnerships, banks, insurance companies, tax exempt organisations, superannuation funds, dealers in securities or entities subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in respect of their Kula Shares;

(b) who do not hold their Kula Shares on capital account (ie hold their Kula Shares on revenue account or as trading stock);

(c) who are taken for CGT purposes to have acquired their Kula Shares before 20 September 1985;

(d) who hold Kula Shares on behalf of another person;

(e) who acquired their Kula Shares or rights to Kula Shares as part of an employee share scheme;

(f) who are, or have been, temporary residents of Australia for the purposes of the Australian tax legislation;

(g) who are subject to the "taxation of financial arrangements" regime in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their Kula Shares; or

(h) who are non-resident Kula Shareholders who have held their Kula Shares at any time in carrying on a business at or through a permanent establishment in Australia.

This outline does not constitute tax advice and is not intended to and should not be used or relied upon by anyone, and Kula accepts no duty of care to any person or entity. Each Kula Shareholder should consult their own tax adviser regarding the consequences of holding or disposing of their Kula Shares.

Kula Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for Australian income tax purposes) should take into account the tax consequences of the Offer under the laws of their country of residence, as well as under Australian law and any applicable double tax treaty.

### 11.2 Australian resident Kula Shareholders

(a) Kula Shareholders who accept the Offer

If you accept the Offer, the disposal of your Kula Shares will constitute a CGT event for Australian income tax purposes, provided the Conditions are satisfied or waived.

You will be taken to have disposed of your Kula Shares for CGT purposes when the contract to sell your Kula Shares is formed.

(b) Compulsory acquisition



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If Forrestania becomes entitled to compulsorily acquire any outstanding Kula Shares under the Corporations Act and your Kula Shares are compulsorily acquired, you will be taken to have disposed of your Kula Shares for CGT purposes.

The date of disposal for CGT purposes will be the date you cease to be the owner of Kula Shares.

(c) CGT

(i) Calculation of capital gain or capital loss (apart from scrip for scrip rollover relief)

Kula Shareholders will make a capital gain to the extent that the capital proceeds from the disposal of their Kula Shares are more than the cost base of those Kula Shares. Conversely, Kula Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Kula Shares.

The capital proceeds for the disposal of Kula Shares should be equal to the Offer consideration receivable by the Kula Shareholder. The capital proceeds should be equal to the market value of the Forrestania Shares received by the Kula Shareholder, determined as at the time of the CGT event.

A CGT discount may be available on the capital gain for individual investors, trustee investors and investors that are complying superannuation entities provided the particular Kula Shares are held for at least 12 months prior to disposal. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33 1/3%. For trusts, the ultimate availability of the discount for a beneficiary of the trust will depend on the particular circumstances of the beneficiary. The CGT discount is not available to companies.

Kula Shareholders should seek specific advice on the availability of the CGT discount in their own circumstances.

(ii) CGT cost base

Generally, the CGT cost base of a Kula Share should be the total amount you paid for the Kula Share, your acquisition costs and other costs relating to the holding and disposal of the Kula Share, to the extent to which you have not claimed an income tax deduction for such costs. The reduced cost base of a Kula Share is usually determined in a similar, but not identical, manner.

You may need to take into account prior corporate actions of Kula (for example, returns of capital etc.) to determine your cost base.

(iii) Net capital gain or loss

Capital losses can generally only be offset against capital gains you realise in the same income year or in later income years (subject to satisfying any applicable carry forward loss rules, where relevant).



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Any net capital gain should be included in your assessable income for the income year that the date of disposal occurs for CGT purposes.

Broadly, your net capital gain in respect of an income year will be calculated by aggregating all of your capital gains realised in that income year and reducing that amount by your capital losses realised in that income year and any available net capital losses carried forward from prior years, or both. The net capital gain may be reduced by the CGT discount if eligible (discussed above). If a Kula Shareholder derives a net capital gain in a year, this amount is included in the Kula Shareholder's assessable income.

If a Kula Shareholder incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the Kula Shareholder satisfying certain rules relating to the recoupment of carried forward losses.

(iv) Scrip for scrip rollover

Scrip for scrip rollover relief under subdivision 124-M of the Income Tax Assessment Act 1997 (Cth) enables a shareholder to disregard a capital gain from a share that is disposed to the extent that the shareholder receives a replacement share or similar interest in exchange.

Where Forrestania acquires 80% or more of the Kula Shares as part of the Offer, the Kula Shareholders should be eligible to claim rollover relief in relation to the scrip consideration.

If, and to the extent that scrip for scrip rollover is available and chosen, then the capital gain that would otherwise arise will be deferred until a later CGT event occurs, such as the subsequent disposal of the Forrestania shares acquired under the Offer.

In order to choose scrip-for-scrip rollover relief, Kula Shareholders must make an election prior to lodging their income tax return for the income year in which the CGT event occurs.

Where 80% ownership threshold is not met, scrip for scrip rollover requirements will not be satisfied, but Kula Shareholders who accepted the Offer will still dispose of their Kula Shares. In this situation, Kula Shareholders who accept the Offer and receive Forrestania Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the Forrestania Shares received in exchange for the Kula Shares.

(d) Implications of holding Forrestania Shares

As a consequence of accepting the Offer, a Kula Shareholder will become a shareholder of Forrestania Dividends (and any attached franking credits) received by an Australian-resident Forrestania Shareholder would generally be required to be included in the assessable income of such a shareholder. The franking credits attached to the dividend may be available as a benefit to the shareholder under the imputation regime.

(e) CGT on subsequent disposal of Forrestania Shares



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A subsequent disposal of Forrestania Shares will generally result in Australian CGT implications as described above. These will differ depending upon whether scrip for scrip rollover relief was claimed in relation to the disposal of Kula Shares pursuant to the Offer.

(i) Where scrip for scrip rollover not claimed or available

Where scrip for scrip rollover relief was not claimed or was not available in relation to the disposal of the Kula Shares, the cost base of the Forrestania Shares (spread equally over those Forrestania Shares) would include the market value of the Kula Shares disposed of in exchange for them. Where the Offer was accepted, this market value should be determined as at the time of the CGT event for disposal of the Kula Shares. Where the Kula Shares were compulsorily acquired, this market value should be determined as at the date the Forrestania Shares were issued.

(ii) Where scrip for scrip rollover available

Where a Kula Shareholder can and does choose scrip for scrip rollover, the cost base (and reduced cost base) of the Forrestania Shares will reflect proportionally the cost base (and reduced cost base) that the Kula Shareholder had in their Kula Shares that were disposed of in exchange for the Forrestania Shares.

The cost base and reduced cost base of the Forrestania Shares may subsequently change, for example where incidental costs are incurred to sell the Forrestania Shares.

A Kula Shareholder will be taken to have acquired the Forrestania Shares at the time the Kula Shares exchanged for them were originally acquired for CGT purposes.

### 11.3 Goods and services tax

Kula Shareholders should not be liable to GST in respect of the disposal of their Kula Shares or the acquisition of Forrestania Shares under the Offer.

Kula Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Offer) that relate to the Offer. Kula Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, depending on their circumstances.

### 11.4 Stamp duty

Kula Shareholders should not be liable to stamp duty in respect of the disposal of their Kula Shares or the acquisition of Forrestania Shares under the Offer.

## 12 ADDITIONAL INFORMATION

### 12.1 Bid Implementation Agreement

Kula and Forrestania have entered into the Bid Implementation Agreement, the material terms of which are as follows:



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(a) Cooperation: the parties have agreed to act in good faith, cooperate with each other and use all reasonable endeavours and resources to implement the Takeover Bid under an agreed timetable.

(b) Foreign Shareholders:

(i) Forrestania will, unless satisfied in its sole discretion that the laws of a Ineligible Foreign Shareholder's country of residence (as shown in the Register) allow for the issue of Forrestania Shares to the Ineligible Foreign Shareholder (either unconditionally or after compliance with conditions which Forrestania regards in its sole discretion but acting reasonably as acceptable and not unduly onerous and not unduly impracticable), issue the Forrestania Shares to which a Ineligible Foreign Shareholder would otherwise become entitled, to a nominee appointed by Forrestania (Sale Nominee).

(ii) Forrestania will cause the Forrestania Shares to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith.

(iii) Forrestania will cause the Sale Nominee to pay (after deducting any applicable brokerage, duty and other selling costs, taxes and charges) each Ineligible Foreign Shareholder, the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Shareholder who accept the Offer receive the same value per KGD Share, subject to rounding):

$$\frac{NPS \; x \; FS}{\text{TS}}$$

Where:

NPS is the amount received by the Sale Nominee upon the sale of Forrestania Shares, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

FS is the number of Forrestania Shares which would have been allotted and issued to the Ineligible Foreign Shareholder but for the Forrestania Shares being issued to the Sale Nominee; and

TS is the total number of Forrestania Shares allotted and issued to the Sale Nominee under this Section 3.4(c) in respect of the KGD Shares held by all Foreign KGD Shareholders.

(c) Kula Options:

(i) Kula must ensure that, before the end of the Offer Period, each holder of a Kula Option has been given a written notice explaining the effect of the Takeover Bid on their Kula Options and the rights (if any) of the holder to exercise or otherwise deal with those Kula Options.

(ii) Forrestania must extend the Offer to Kula Shares that are issued by reason of Kula Options exercised during the Offer Period.

(iii) Forrestania must within 14 days of the issue of any Forrestania Shares under the Takeover Bid, offer to holders of any Kula Options not exercised during



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the Offer Period (Unexercised Options) to, where the terms of the Unexercised Options allow it, cancel their Unexercised Options for a price determined using the Black-Scholes model with the following inputs and to be satisfied through the issue of Forrestania Shares with a valuation of $0.286 per Forrestania Share and fractions rounded up to the nearest Forrestania Share:

(A) Kula's Share price being $0.0440.

(B) A risk-free rate of 3.60%.

(C) Volatility of 200.13%.

(iv) Any Forrestania Shares issued pursuant to the Bid Implementation Agreement will be subject to Forrestania shareholder approval and will be offered under a prospectus (unless an applicable exception under section 708 of the Corporations Act applies). Forrestania will, in the event shareholder approval is not obtained, pay the holder of Unexercised Options the cash value of the Unexercised Options.

(v) Kula must use reasonable endeavours to ensure that, where required and possible (subject to ASX Listing Rules), the terms of any Unexercised Options are varied to allow for their cancellation in accordance with the Bid Immeplementation Agreement.

(d) Conduct of business and prohibited actions: The Bid Implementation Agreement contains standard business continuity obligations and prohibited actions and no-shop no-talk restrictions.

(e) Recommendation of Kula Directors: Kula represents and warrants that it has been informed:

(i) by each of the Kula Directors that they intend to recommend that all Kula Shareholders accept the Offer, within 21 days of the Offer becoming open for acceptance in respect of all Kula Shares owned or controlled by that director, subject to there being no Superior Proposal;

(ii) by each of the Kula Directors that they will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with the recommendation above, unless a Superior Proposal emerges.

(f) Warranties: The Bid Implementation Agreement contains standard warranties.

(g) Termination by either party: The Bid Implementation Agreement may be terminated by a party by notice to the other party:

(i) if the other party is in material breach of the Bid Implementation Agreement and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;

(ii) if Forrestania withdraws the Takeover Bid as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or if the Takeover Bid lapses;



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(iii) if there is a material breach of a representation or warranty by the other party and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;

(iv) if a Court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid; or

(v) if the other party or any of their subsidiaries becomes insolvent.

(h) Termination by Forrestania: The Bid Implementation Agreement may be terminated by Forrestania by notice in writing to Kula if:

(i) a Superior Proposal is made or publicly announced for Kula by a third party; or

(ii) a Kula Material Adverse Change or a Kula Prescribed Occurrence occurs.

(i) Termination by Kula: The Bid Implementation Agreement may be terminated by Kula by notice in writing to Forrestania if:

(i) a Superior Proposal is made or publicly announced for Kula by a third party;

(ii) a Forrestania Material Adverse Change has occurred;

(iii) a majority of the Kula Directors recommend a Superior Proposal, provided always that the no shop/no talk clause of the Bid Implementation Agreement has been complied with.

### 12.2 Directors' interests and dealings in Kula securities

Details of the Kula Shares in which each Director has a Relevant Interest are as follows:

| Director | Kula Shares and Options |
|---|---|
| Mark Stowell (held through Ascot Park Enterprises and Merchant Holdings Pty Limited) | 75,000,000 Kula Shares |
| Ric Dawson (held through Bond Street Custodians Limited and Classico Holdings Pty Limited) | 8,400,000 Kula Shares<br>12,000,000 Kula Options |
| Mark Bojanjac (held through Kalarra Holdings Pty Limited) | 7,875,000 Kula Shares |

### 12.3 Directors' dealings in Kula Shares

The Kula Directors had the following dealings in Kula Shares during the four month period ending on the date immediately before the date of this Target's Statement:

| Director | Dealing |
|---|---|
| Mark Stowell | On 13 August 2025 purchased 462,679 Kula Shares at $0.008 per share.<br>On 15 August 2025 purchased 3,000,000 Kula Shares at $0.007 per share. |



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| | |
|---|---|
| | On 20 August 2025 purchased 2,500,000 Kula Shares at $0.007 per share. |
| Ric Dawson | On 26 August 2025 purchased 3,000,000 Kula Shares at $0.007 per share. |

### 12.4 Directors' dealings in Forrestania Shares

None of the Kula Directors have had any dealings in Forrestania Shares during the four month period ending on the date immediately before the date of this Target's Statement.

### 12.5 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Kula or related body corporate of Kula.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Kula Shares.

(c) Benefits from Forrestania

No Director has agreed to receive, or is entitled to receive, any benefit from Forrestania which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Kula Shares.

(d) Material interests of Directors in contracts with Forrestania

None of the Directors of Kula has any interest in any contract entered into by Forrestania.

Forrestania has stated in its Bidder's Statement that, if the Offer is successful, it proposes to appoint Mr Stowell as a non-executive director of Forrestania. No terms of appointment have been agreed.

### 12.6 Substantial holders

As at the date of this Target's Statement, the following persons have substantial holdings in Kula:

| Name of substantial holder | Number of Kula Shares | % of total Kula Shares |
|---|---|---|
| Forrestania Resources Limited | 144,616,665 | 12.56 |
| SB & ET Holdings Pty Limited | 78,769,231 | 6.84 |
| Mark Stowell | 75,000,000 | 6.51 |
| BNP Paribas Nominees Pty Limited | 67,801,000 | 5.89 |

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Kula has received notice that, as at 2 December 2025, Forrestania's voting power in Kula is 13.01%.

### 12.7 Material change in financial position of Kula

Kula' last audited financial statements are for the financial half year ended 30 June 2025. So far as the Directors are aware and subject to the matters set out below:

(a) the financial position of Kula has not materially changed since the date of the half yearly report for the period ending 30 June 2023; and

(b) there has not been any matter or circumstance, other than those referred to in the annual report for the year ending 30 June 2023 and this Target's Statement that has significantly affected, or may significantly affect the operations or the financial position of Kula, the results of operations of Kula or the state of affairs of Kula in future financial years.

The above is subject to the following:

(a) On 1 August 2025 575,000 unlisted options exercisable at $0.085 issued under Kula's Employee Incentive Option Plan expired.

(b) On 14 August 2025 Kula issued 115,384,615 Kula Shares at an issue price of $0.065 to raise $750,000.

(c) On 23 September 2025 Kula announced the following transactions:

(i) The sale of its Westonia Project to Forrestania for $500,000 cash and a further $1,000,000 cash upon a JORC compliant resources of at least 100,000 ounces of gold or equivalent being discovered on the relevant tenements. The sale completed on 9 October 2025.

(ii) A placement to raise $2,528,434 through the issue of Kula Shares for $0.022. The placement completed on 26 September 2025.

### 12.8 Corporate mandate

Kula has appointed Euroz Hartleys as corporate advisor to the Offer.

Upon completion of a transaction arising from the Offer during the term of the engagement, the Company will pay Euroz Hartleys a success fee of $350,000. At the election of Kula and approval by Forrestania, up to 50% of the success fee ($175,000) may be settled by the issue of new Kula Shares to Euroz Hartleys or its nominee, with the balance payable in cash.

The engagement otherwise contains terms considered customary for a transaction of this nature.

### 12.9 Consents given

Atkinson Corporate Lawyers have acted as legal adviser and has performed work in relation to the Offer. Kula has paid, or agreed to pay Atkinson Corporate Lawyers approximately $40,000 (excluding GST) in total (excluding disbursements) for the above services up until the date of this Target's Statement.

Each person named in this section 12.8 of this Target's Statement as having given its consent to the inclusion of a statement or to being named in this Target's Statement:



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(a) has not authorised or caused the issue of this Target's Statement;

(b) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than a statement included in this Target's Statement with the consent of that person; and

(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

### 12.10 Reliance on ASIC class orders

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Forrestania with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Forrestania. Pursuant to the Class Order, the consent of Forrestania is not required for the inclusion of such statements in this Target's Statement. Any Kula Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting Kula (Keith Bowker) by email (cosec@kulagold.com.au).

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

(a) fairly representing what purports to be a statement by an official person;

(b) that are a correct and fair copy of, or extract from, what purports to be a public official document; or

(c) that are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

### 12.11 Statement required by Listing Rule 5.23

Kula confirms that it is not aware of any new information or data that materially affects the information included in its previous market announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### 12.12 No other material information

This Target's Statement is required to include all the information that Kula Shareholders and their professional advisers would reasonably require to make an informed assessment whether or not to accept the Offer but:

(a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in the Target's Statement; and

(b) only if the information is known to any Director.

The Directors are of the opinion that the only information that Kula Shareholders and their professional advisers would reasonably require to make an informed assessment whether or not to accept the Offer is:



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(c) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);

(d) the information contained in releases by Forrestania to ASX before the date of this Target's Statement; and

(e) the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unlss expressly indicated otherwise in this Target's Statement). However the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing in any way any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

(a) the nature of Kula Shares;

(b) the matters Kula Shareholders may reasonably be expected to know;

(c) the fact that certain matters may reasonably be expected to be known to the professional advisers to Kula Shareholders;

(d) the nature of the Offer; and

(e) the time available to Kula to prepare this Target's Statement.

## 13 GLOSSARY

### 13.1 Definitions

In this Target's Statement, unless the contrary intention appears or the context otherwise appears, the following terms have the meanings shown below:

**Announcement Date** means 14 October 2025.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act.

**ASX Listing Rules** means the official listing rules of the ASX from time to time.

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, a financial market operated by it.

**AWST** means Australian Western Standard Time.

**Bid Implementation Agreement** means the bid implementation agreement entered into between Kula and Forrestania, and announced to ASX on 14 October 2025.



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**Bidder's Statement** means the bidder's statement by Forrestania dated 24 November 2025 setting out the terms, Conditions and other information in relation to the Offer.

**Business Day** means a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.

**CGT** means capital gains tax.

**Competing Proposal** means any expression of interest, proposal, offer or transaction notified to the Kula Board which, if completed substantially in accordance with its terms, would mean a person (other than Forrestania or its Related Bodies Corporate) would:

(a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:

  (i) 20% or more of all Shares; or

  (ii) all or a substantial part of the business conducted by the Kula Group.

(b) acquire control of Kula, within the meaning of section 50AA of the Corporations Act; or

(c) otherwise directly or indirectly acquire or merge with Kula or acquire an economic interest in the whole or a substantial part of Kula or its businesses (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

**Conditions** means the conditions of the Offer set out in section 12.8 of the Bidder's Statement.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of Kula or any one of them, as the context requires.

**Forrestania Group** means Forrestania and its Subsidiaries.

**Forrestania** means Forrestania Resources Limited ACN 146 935 131.

**Forrestania Shareholder** means any holder of Forrestania Shares.

**Forrestania Shares** means fully paid ordinary shares in the capital of Forrestania.

**Government Agency** means any government or any governmental, semi governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.

**GST** means goods and services tax.

**Ineligible Foreign Shareholder** means a Kula Shareholder who:

(a) who is a citizen or resident of a jurisdiction other than residents of Australia and its external territories or New Zealand; or

(b) whose address shown in the Register is a place outside Australia and its external territories or New Zealand, unless Forrestania determines that:

(i) it is lawful and not unduly onerous or unduly impracticable to issue that Kula Shareholder with Forrestania Shares on completion of the Offer; and

(ii) it is lawful for that Kula Shareholder to participate in the Offer by the law of the relevant place outside Australia and its external territories or New Zealand.

**Kula Board** or **Board** means the board of Directors.

**Kula Group** means Kula and its Related Bodies Corporate.

**Kula** means Kula Gold Limited ACN 126 741 259.

**Kula Share** or **Share** means a fully paid ordinary share in the capital of Kula.

**Kula Shareholder** or **Shareholder** means a holder of Kula Shares.

**Offer Consideration** means 1 Forrestania Share in Forrestania for every 5.6 Kula Shares held, rounded up to the nearest whole number of Forrestania Shares.

**Offer** has the meaning given to that term in the Bidder's Statement.

**Offer Period** means entire period during which the Offer will remain open for acceptance in accordance with 12.3 of the Bidder's Statement.

**Option** means an option to be issued a Share.

**Prescribed Occurrence** means the events referred to in sections 652C(1) or 652C(2) of the Corporations Act, whereby references to "target" therein will be taken to mean Kula.

**Register Date** means the date set by Forrestania pursuant to section 633(2) of the Corporations Act, being 5.00pm (AWST) on 24 November 2025.

**Related Bodies Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Interest** has the meaning given in section 608 and 609 of the Corporations Act.

**Rights** means all accreditations, rights or benefits of whatever kind attaching or arising from Kula Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Kula or any of its subsidiaries).

**Sale Nominee** has the meaning given in section 12.1(b)(i).

**Subsidiary** has the meaning given to that term in the Corporations Act.



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**Superior Proposal** means a bona fide Competing Proposal which the Directors, acting in good faith, and after receiving written legal advice from its legal advisers, determines:

(a) is reasonably capable of being completed taking into account all aspects of its Competing Proposal including any timing considerations, any conditions precedent, the identity of the proponent and ability to finance; and

(b) would, if completed substantially in accordance with its terms, likely be more favourable to the Kula Shareholders (as a whole) than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal.

**Takeover Bid** means the takeover bid constituted by the Offer.

**Target's Statement** means this document, being the statement of Kula under Part 6.5 Division 3 of the Corporations Act relating to the Offer.

### 13.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

(a) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;

(b) words importing the singular include the plural and vice versa;

(c) words denoting any gender include all genders;

(d) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;

(f) reference to a person includes any other entity recognised by law and vice versa;

(g) a reference to a section, attachment or schedule is a reference to a section, attachment or schedule to this Target's Statement;

(h) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it;

(i) a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(j) a reference to time is a reference to time in Sydney, New South Wales, Australia;

(k) a reference to writing includes facsimile transmissions and email; and

(l) a reference to dollars, A$, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

## 14 APPROVAL OF TARGET'S STATEMENT

The copy of this Target's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors.



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Signed in accordance with section 351 of the Corporations Act.



Chairman

Kula Gold Limited

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