

Quarterly Activity Report for the period ended 30 September 2024

Date: 31 October 2024

ACN: 126 741 259

ASX Code: KGD

Highlights:

- The historic Mt Palmer Gold Mine (formerly “Yellowdine Mine”) was last commercially mined in 1944 down to the 6th level (~160m) at 15.9g/t gold
- Results of the RC and Diamond drilling programmes during the quarter included:
 - 4m @ 3.02g/t gold including 1m @ 6.66g/t gold from 18m near surface, aligning with historic holes of up to 7m @ 3g/t gold including 1m @ 10.6g/t gold at the newly identified Mt Palmer Bryant Lode
 - 6m @ 8.3g/t gold from 28m at the El Dorado Prospect
 - 1m @ 9.2g/t gold from 36m at the Meiers Find Prospect
- RC drilling programmes towards resource estimates to commence at the newly identified Mt Palmer Bryant Lode, El Dorado and Meiers Find Prospects
- Work will also commence at the Mt Palmer East Prospect following up historical multiple repeat assays of varying highly anomalous gold grades over 3m from 86-89m varying from 102g/t to 0.56g/t
- The Mt Palmer Gold Mine provides an exciting opportunity given the low-cost value add exploration approach, proximity to existing gold plants and infrastructure and records highs in the gold price.

Kula Gold Limited (“Kula” or “the Company”) reports the quarterly activity for the period ended 30 September 2024.

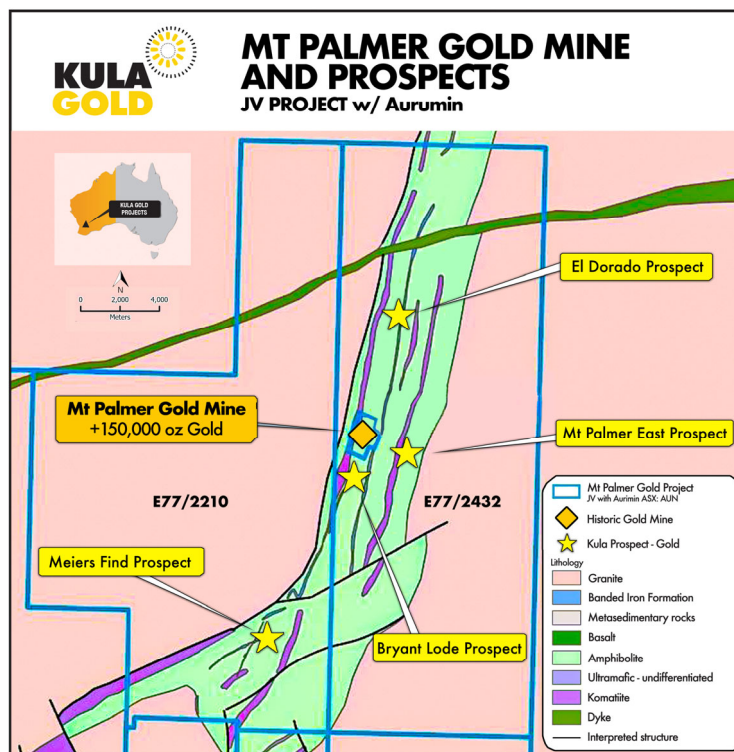


Figure 1: Kula’s Mt Palmer Prospects.

MT PALMER GOLD MINE – 51% (earning to 80%)

RC Drill Programme

RC pre-collars were completed in 3 holes and the diamond drill programme will extend those holes to test the down plunge, along strike extensions to the historically known orebody as detailed in the Figure 3 below.

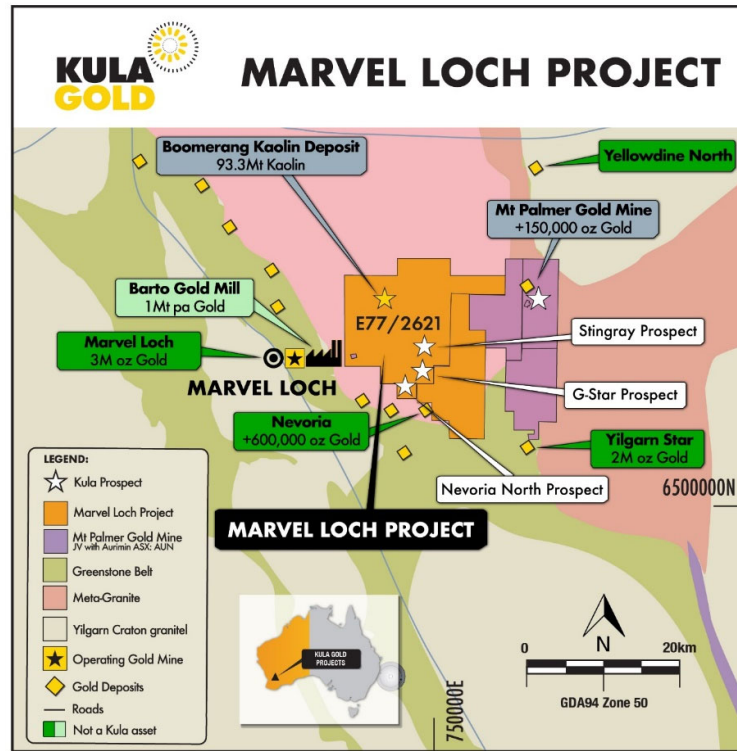


Figure 2: Kula's Marvel Loch Projects

The Company identified a new shallow gold lode from a reverse circulation ("RC") drill programme at the Mt Palmer Gold Mine located near Marvel Loch in the Southern Cross Goldfields of Western Australia.

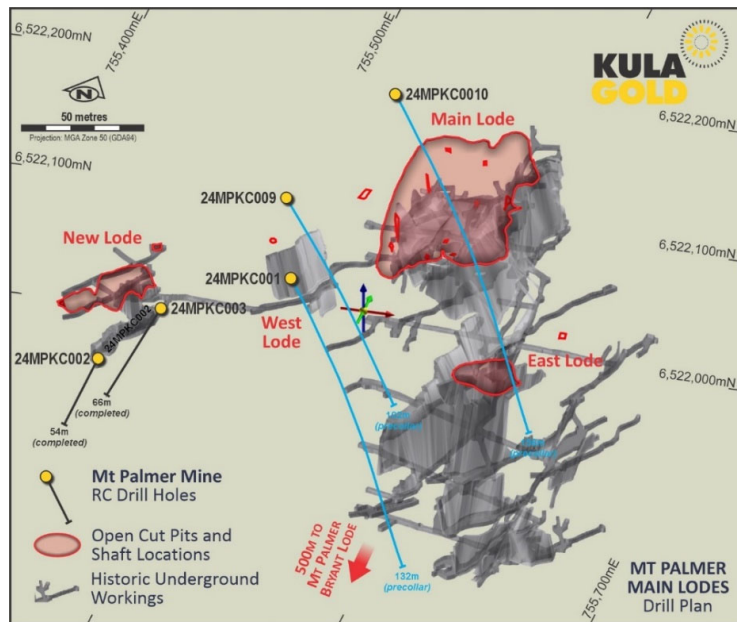


Figure 3: Mt Palmer Gold Mine open stopes, drives, RC holes and RC pre-collars ready for diamond drilling extension through the main interpreted mineralised zones below the historical underground workings.

A selection of previously fire assayed FA50 1m intervals from the recent RC programme were re-assayed with a Leachwell digestion LW1000 and then the residue ‘tails’ were fire assayed FA25T due to Kula’s technical team being suspicious of anomalous multi-element reading but low gold assay results, the resultant work provided results as tabled in Appendix D of the ASX Announcement – Mt Palmer Gold Mine – El Dorado Prospect Update dated 26 September 2024.

The low refractory ‘tail’ is encouraging for future potential CIL processing with an expectation of a high extraction percentage from cyanide leach. Further bulk testing is required to be definitive.

Diamond Core Drill Programme

Diamond HQ3 core drilling was completed for 307.4m in 2 holes to extend the 2 pre-collared RC holes 24MPKC001 and 24MPKC009 to test the down plunge extensions to the historically known orebody.

Mt Palmer – Bryant’s Lode Prospect

The new advancing prospect Mt Palmer Bryant’s Lode returned 4m @ 3.02g/t gold including 1m @ 6.66g/t gold from 18m near surface (24MPKC005) aligning with historical holes of up to 7m @ 3g/t gold including 1m @ 10.6g/t gold (MPRC078). These are drill widths, true width to be confirmed with future drilling.

This new lode is 500m south of the main workings and demonstrates a contiguous zone of shallow gold mineralisation open north and south at depth, warranting further drilling towards resource estimates.

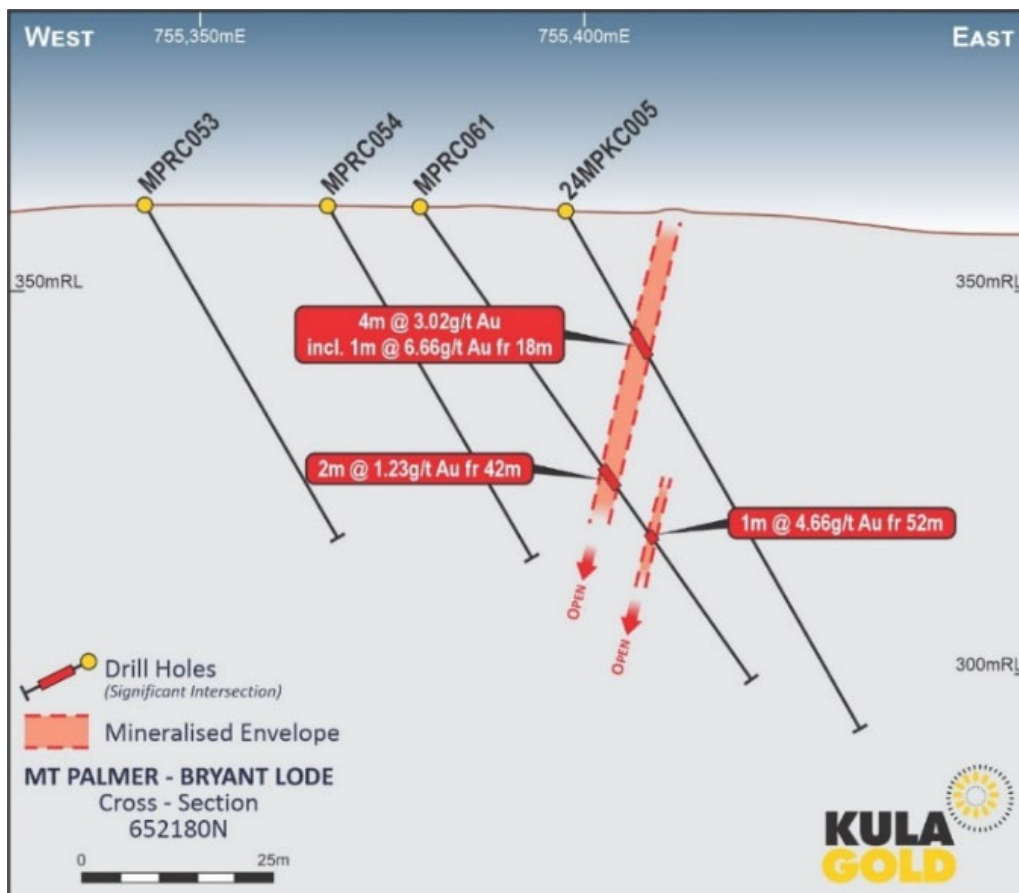


Figure 4: Mt Palmer Bryant’s Lode cross section.

Mt Palmer – Meiers Find Prospect

Desktop studies and ground truthing by the Kula technical team during the recent drilling programmes has assessed the Meiers Find Prospect as having strike extensions to the historic Mt Palmer Gold Mine from surface geochemical sampling and historical drill results including YD-7 with an intersection of 1m @ 15.4g/t gold from 36m, 2m @ 1.7g/t gold from 30m and MFRC2009 with an intersection average over 1m @ 1.7g/t gold from 33m with no follow-up drilling. A modern UFF programme is planned to provide a tighter definition for RC drilling. These are drill widths, true width to be confirmed with future drilling.

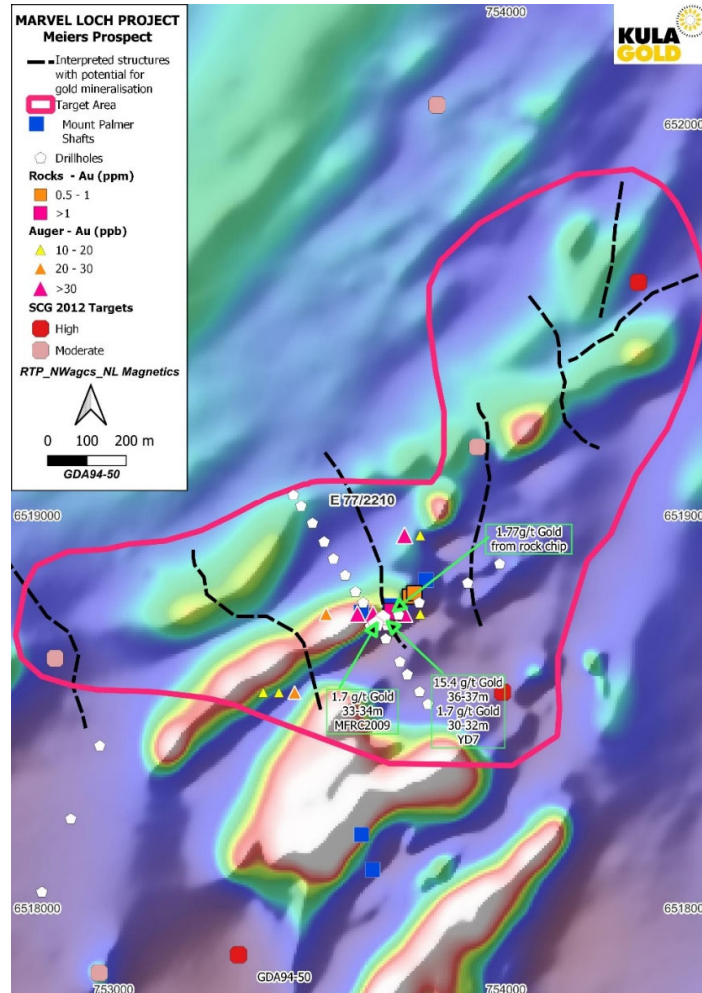


Figure 5: Mt Palmer Meiers Find Prospect with planned UFF programme over regional magnetics RTP_NW_Agcs_NL with historical drill collars, soils and rock chips.

Mt Palmer – El Dorado Prospect

Exploration work by the Kula technical team during the diamond drilling programme has assessed a newly named El Dorado Prospect as having strike extensions north of the historic Mt Palmer Gold Mine with a significant RC drill intersection of 6m @ 8.3g/t gold from 28m including 1m @ 45.4g/t gold from 30m drilling in 1986, which has had no follow-up work. A modern UFF programme is planned to provide a tighter definition to be a drill ready prospect. These are drill widths, true width to be confirmed with future drilling.

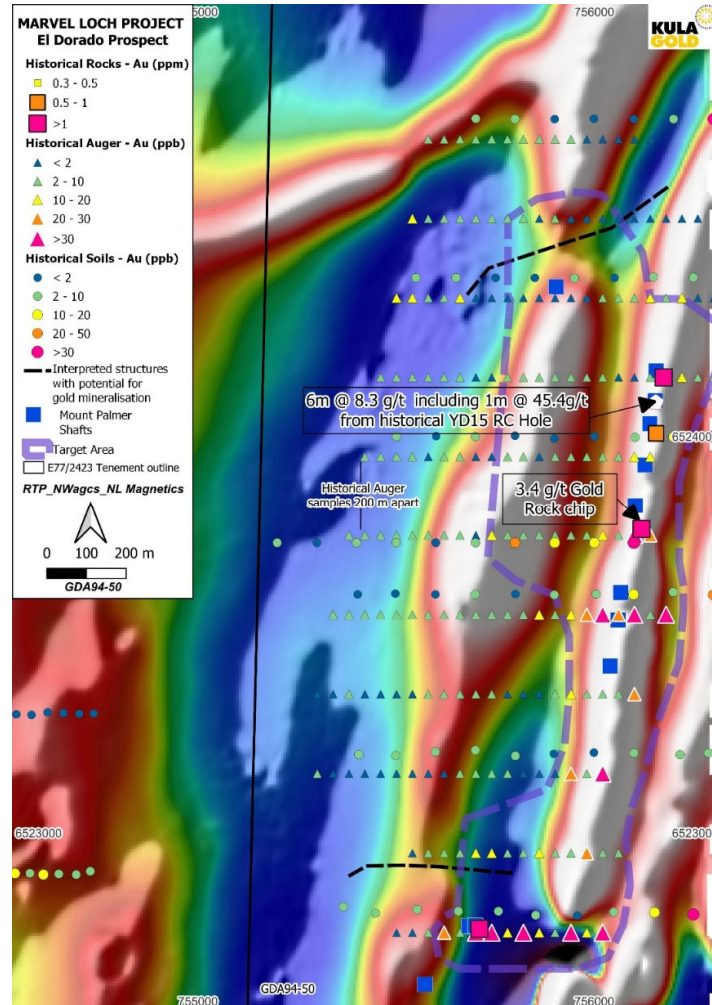


Figure 6: Mt Palmer El Dorado Prospect with planned UFF programme over regional magnetics RTP_NW_AGCS_NL with historical drill collars, soils and rock chips.

Mt Palmer – East Prospect

Geophysical interpretations have identified a possible parallel structure over 8km in length east of the Mt Palmer Gold Mine (shown in red oval in Figure 7 below). Geochemical sampling has been commenced over a test area to advance this large totally unexplored target next to a past producer gold mine.

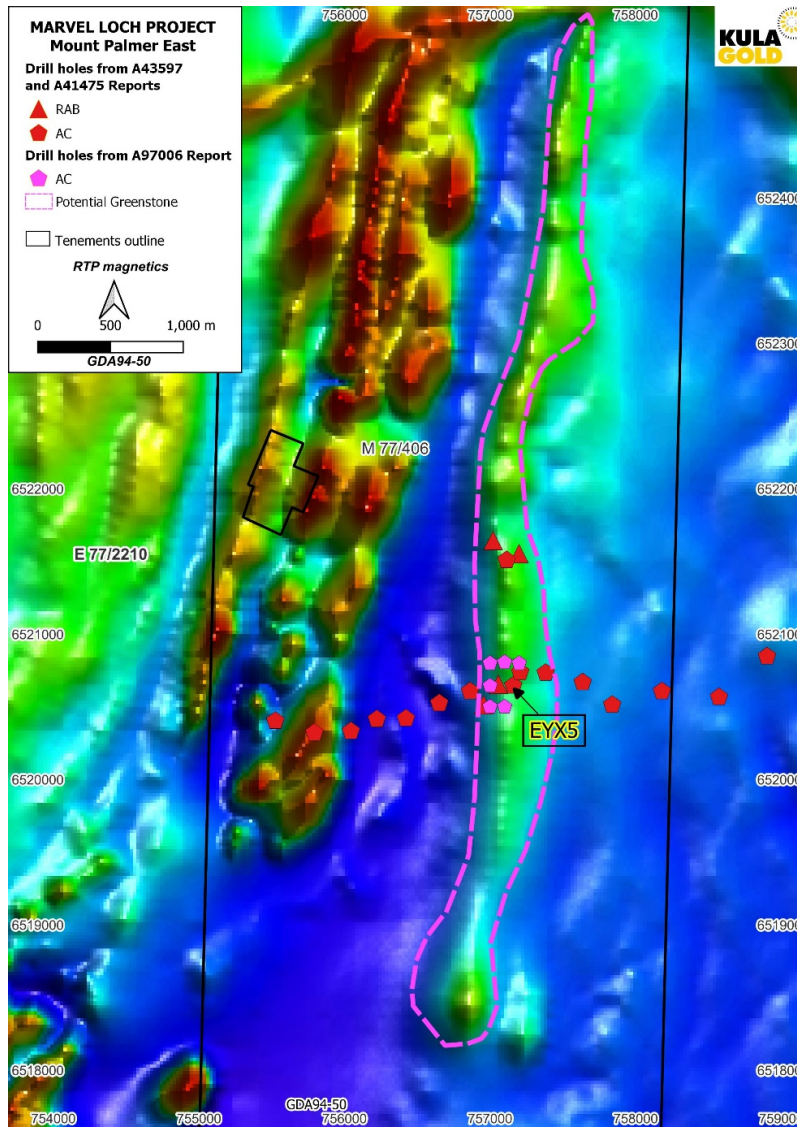


Figure 7: Mt Palmer East Prospect image over TMI RTP with historical air core hole locations.

CORPORATE ACTIVITIES

Terra Drilling has agreed that if Kula extends the diamond core drill programme with additional holes down plunge, or down dip to the existing planned 3 holes to provide equity funding for their services for these additional holes. Kula is appreciative and encouragement by this sign of confidence by Terra Drilling in Kula's technical abilities and the prospectivity of the Mt Palmer Gold Project.

Payments to related parties during the quarter included in item 1, totalled \$116,226 which included director's fees, consulting fees and office leases.

By order of the Board

For Further Information, Contact:

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Competent Person Statement

The information in this report that relates to geology, exploration and visual estimates is based on, and fairly represents, information and supporting documentation compiled by Mr. Ric Dawson, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy. Mr. Dawson is a Geology and Exploration Consultant who has been engaged by Kula Gold Limited and is a related party of the Company. Mr. Dawson has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). This market announcement is issued with the prior written consent of Mr. Dawson as to the form and context in which the exploration results, visual estimates and the supporting documentation are presented in the market announcement.

References:

MT PALMER GOLD MINE

ASX Release – RC Drilling Commences at the Historic Mt Palmer Gold Mine – 17 July 2024

ASX Release – New Lode to 6.66g/t Gold – RC Drilling – Mt Palmer Gold Mine – 29 August 2024

ASX Release – Diamond Core Drilling Commences at Mt Palmer Gold Mine – 11 September 2024

ASX Release – Mt Palmer Gold Mine – El Dorado Prospect Update – 26 September 2024

ASX Release – Mt Palmer Gold Mine – East Prospect – 10 October 2024

BOOMERANG PROSPECT

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

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

About the Company

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

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

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

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

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

Tenement List

Region	Project	Tenement	Status	Grant Date	Interest Acquired/Granted during the Qtr	Interest Disposed/Surrendered of During the Qtr	Interest At End of Qtr
Southern Cross Region	Rankin Dome ¹	E77/2709	Granted	8/10/2021	-	-	100%
		E77/2753	Granted	8/10/2021	-	-	100%
		E77/2768	Granted	26/03/2021	-	-	100%
	Westonia	E77/2756	Granted	8/10/2021	-	-	100%
		E77/2757	Granted	8/10/2021	-	-	100%
		E77/2762	Granted	8/10/2021	-	-	100%
		E77/2766	Granted	8/10/2021	-	-	100%
		E77/3234	Application	-	-	-	-
		E77/3235	Application	-	-	-	-
		E77/3236	Application	-	-	-	-
		E77/3237	Application	-	-	-	-
		E77/3238	Application	-	-	-	-
		E77/3239	Application	-	-	-	-
	Marvel Loch ²	E77/2621	Granted	3/09/2020	-	-	100%
		E77/2210	Granted	17/11/2014	-	-	51%
		E77/2423	Granted	26/07/2017	-	-	51%
		E77/2668	Granted	7/09/2023	-	-	51%
		M77/0406	Granted	30/03/1990	-	-	51%
		P77/4527	Granted	2/05/2019	-	-	100%
		M77/1302	Application	-	-	-	-
		L77/0359	Application	-	-	-	-
Southern Cross	E77/3231	Application	-	-	-	-	
	E77/2806	Granted	19/07/2022	-	-	100%	
	E77/3116	Application	-	-	-	-	
Southwest Region	Brunswick	E70/5599	Granted	26/07/2021	-	-	100%
		E70/5703	Granted	26/05/2021	-	-	100%
		E70/5513	Granted	23/02/2021	-	-	100%
		E70/5645	Granted	6/05/2021	-	-	100%
		E70/5660	Granted	28/04/2021	-	-	100%
	Kirup ³	E70/5452	Granted	4/01/2021	-	-	70%
		E70/6603	Granted	21/03/2024	100%	-	100%
		E70/6626	Granted	24/05/2024	100%	-	100%
		E70/6627	Application	-	-	-	-
Kurnalpi Region	Lake Rebecca	E28/3029	Granted	10/03/2021	-	-	100%
Paynes Find	Ninghan	E59/2883	Application	-	-	-	
Norseman	Norseman	E63/2450	Application	-	-	-	

¹ On 9 August 2022, the Company entered into a binding Farm-In Agreement with Australian Critical Minerals Limited (ASX: ACM) in respect of the Company's non-core Rankin Dome Project comprising of three tenements being E77/2709, E77/2753 & E77/2768. ([Refer ASX Announcement, Farm-in & Joint Venture Agreement – Rankin Dome](#)).

² The Company has a JV Agreement with Aurumin Limited (ASX: AUN), earning to 80%. (P77/4527, E77/2210, E77/2423, E77/2668 & M77/0406). ([Refer ASX Announcement, Mt Palmer Gold Mine Acquisition & Placement, dated 31 May 2024](#)).

³ The Company has JV Agreement with Sentinel Exploration Limited in respect of tenement E70/5452. ([Refer ASX Announcement, Kula To Acquire 70% In Key Lithium Tenement – Kirup Project, dated 28 November 2024](#)).

Appendix 5B

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

Name of entity

KULA GOLD LIMITED

ABN

83 126 741 259

Quarter ended ("current quarter")

30 SEPTEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(488)	(1,070)
(b) development	-	-
(c) production	-	-
(d) staff costs	(377)	(861)
(e) administration and corporate costs	(102)	(226)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	188	188
1.8 Other (stamp duty refund on acquisition of Kirup)	104	104
1.9 Net cash from / (used in) operating activities	(674)	(1,863)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,659
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(107)
3.5 Proceeds from borrowings	190	298
3.6 Repayment of borrowings	-	(108)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	190	1,742

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	756	393
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(674)	(1,863)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	190	1,742

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	272	272

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	240	724
5.2	Call deposits	32	32
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	272	756

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(116)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	250	190
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	250	190
7.5 Unused financing facilities available at quarter end		60
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Merchant Holdings Pty Ltd, an entity related to the Chairman, Mark Stowell provided an unsecured loan facility of \$250,000 at an interest rate of 7.65%p.a, with a maturity date of 27 December 2024.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(674)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(674)
8.4 Cash and cash equivalents at quarter end (item 4.6)	272
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	272
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.40
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, the Board is reviewing alternatives. The Company has been able to demonstrate a record of securing funds as and when required and is confident that it will be able to continue to do so.	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company will continue to align operational activity and expenditure with cash reserves available to the Company.

The loan facility mentioned in 7 above.

On 22 March 2024, the Company entered into an At-the-Market Subscription Agreement (“ATM”) with Acuity Capital. The ATM provides the Company with up to \$1,000,000 of standby equity capital over the period to 31 January 2029.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date:31 October 2024.....

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

Notes

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