

ASX Announcement & Media Release

Woodlark Island Gold Project – A Clear Path to Gold Production

- **Kula Gold’s JV partner Geopacific (ASX:GPR) aims to:**
 - **develop the Project as a >150,000oz gold per annum producer;**
 - **increase the mine life to > 10 years;**
 - **have a short development time.**
- **Geopacific plans to achieve this by:**
 - **increasing reserves from 766,000oz gold to >1.2Moz gold;**
 - **rebasng the Definitive Feasibility Study ; and then**
 - **moving into production.**

Kula Gold and Geopacific recently entered into a binding term sheet for an earn-in and joint venture transaction on the Woodlark Island Gold Project, as reported on 11 July 2016. After developing its plan and opting to proceed within six months, Geopacific will commit to spend \$8 million within 24 months, including a minimum of 15,000 metres of diamond drilling. Geopacific's target is to increase the Ore Reserves of the Project to >1.2Moz of gold.

The investor presentation by Geopacific issued on 18 July 2016 can be viewed at:

<http://geopacificresourcesnl.cmail19.com/t/r-l-ghlpkk-jdihlddlz-n/>



Background on the Woodlark Island Gold Project, PNG

Kula Gold Limited has advanced its 100% owned, Woodlark Island Gold Project, to the point where it is fully permitted and ready to progress to the next stage. The Project is located 600 kilometres east of Port Moresby in the Milne Bay Province, Papua New Guinea.

The Project has excellent upside potential through the conversion of Inferred Resources and numerous nearby exploration targets within a short distance of the proposed process plant location.

The Feasibility Study, completed in September 2012, defined a 2004 JORC Resource of 2.1 million ounces and an Ore Reserve of 766,000 ounces based on a gold price of US\$1,200 per ounce. The Feasibility Study defined a Project with a mine life of nine years based on three open pit mining areas and a 1.8Mtpa gravity and carbon in leach plant.

The Company's wholly-owned subsidiary, Woodlark Mining Limited, has been granted the Environment Permit and the Mining Lease for the Project.

For further information, contact:

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Directors and Management

| | |
|---------------|-------------------------|
| David Frecker | Chairman |
| Louis Rozman | Non-executive director |
| Mark Stowell | Non-executive director |
| Arnold Vogel | Non-executive director |
| Garry Perotti | Chief Financial Officer |

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Competent Person Statements

The information in this report that relates to Exploration Results are based on information compiled by Mr. Lee Spencer. Mr Spencer was the CEO of Kula Gold Limited until 1 July 2013 and remains on the Kula Gold Board as a Non-executive director. Mr. Spencer is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Spencer consents to the inclusion in the report of these matters based on information in the form and context in which it appears.

The information in this announcement that relates to the Mineral Resource estimates for Kulumadau, Busai and Woodlark King is based on information compiled by Mr. John Doepel, Principal Geologist for Continental Resource Management Pty Limited (Resource Report, Woodlark Island). CRM has acted as independent consulting geologist to WML since 2005 and has undertaken several visits to the island and to the sample preparation facilities. Mr. Doepel is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Doepel consents to the inclusion in this announcement of these matters based on information in the form and context in which it appears.

The information in this announcement that relates to Ore Reserves is based on information compiled by Mr. Linton Putland, Principal of LJ Putland & Associates and a consultant to Kula Gold's 100% subsidiary, Woodlark Mining Limited. Mr. Putland is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Putland consents to the inclusion in this announcement of these matters based on information in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Kula Gold Limited (Kula Gold) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Kula Gold that could cause Kula Gold's actual results to differ materially from the results expressed or anticipated in these statements.

Kula Gold cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Kula Gold does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this

announcement, except where required by applicable law and stock exchange listing requirements.

Woodlark Island Gold Project Mineral Resources

Report as per JORC2004
As of July 2012 at a 0.5g/t Au lower cutoff

| Deposit | Category | Resource (Mt) | Grade (Cut) (g/t Gold) | Gold (Cut) (Oz) |
|-----------|-----------|---------------|------------------------|-----------------|
| Kulumadau | Measured | 5.0 | 1.78 | 285,000 |
| Kulumadau | Indicated | 4.4 | 1.75 | 245,000 |
| Kulumadau | Inferred | 8.6 | 1.4 | 375,000 |
| Kulumadau | Totals | 18.0 | 1.6 | 910,000 |
| Busai | Measured | 3.9 | 1.54 | 190,000 |
| Busai | Indicated | 10.4 | 1.4 | 480,000 |
| Busai | Inferred | 8.8 | 1.3 | 370,000 |
| Busai | Total | 23.1 | 1.4 | 1,040,000 |
| Boniavat | Indicated | 3.0 | 1.2 | 115,000 |
| Boniavat | Inferred | 1.0 | 1.8 | 60,000 |
| Boniavat | Total | 4.0 | 1.4 | 175,000 |
| All | Measured | 8.9 | 1.67 | 480,000 |
| All | Indicated | 17.8 | 1.5 | 840,000 |
| All | Inferred | 18.5 | 1.4 | 800,000 |
| Totals* | | 45.1 | 1.5 | 2,120,000 |

Note 1: Totals may appear incorrect due to rounding
 Note 2: The Busai Indicated Resource includes 0.4Mt @ 1.4t Au for 20,000oz from overlying alluvial mineralisation.
 Note 3: The Busai Inferred Resource includes 0.4Mt @ 1.2t Au for 15,000oz from overlying alluvial mineralisation and 3.9Mt @ 0.9g/t Au for 110,000oz from Munasi (2km southeast of Busai).
 Note 4: The Boniavat Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au from Watou (1.5km south of Woodlark King).
 Note 5: All Resources based on a 0.5g/t gold cut-off grade
 Note 6: There have been no material changes to the reported Resources from what was previously reported under the 2004 JORC code

Woodlark Island Gold Project Mineral Resources

Report as per JORC2004
As of July 2012 at a 1g/t Au lower cutoff

Totals may appear incorrect due to rounding

| Resource Category | Resource (Mt) | Au Cut (g/t) | Au Oz Cut |
|-------------------|---------------|--------------|-----------|
| Measured | 5.1 | 2.34 | 385,000 |
| Indicated | 7.6 | 2.5 | 615,000 |
| Inferred | 7.0 | 2.4 | 545,000 |
| Totals | 19.7 | 2.45 | 1,550,000 |

Woodlark Island Gold Project Ore Reserves

Report as per JORC2004
As of July 2012 at variable lower cutoffs

Totals may appear incorrect due to rounding

| Deposit | Proved | | | Probable | | | Total | | |
|----------------|-----------|-------|---------|-----------|-------|---------|------------|-------|---------|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| Busai | 3,283,000 | 2.2 | 233,000 | 2,811,000 | 1.9 | 175,000 | 6,094,000 | 2.1 | 408,000 |
| Kulumadau | 3,144,000 | 2.2 | 223,000 | 751,000 | 2.4 | 59,000 | 3,863,000 | 2.3 | 282,000 |
| Woodlark King | | | | 704,000 | 1.7 | 39,000 | 704,000 | 1.7 | 39,000 |
| Kulumadau East | | | | 330,000 | 3.7 | 37,000 | 330,000 | 3.7 | 37,000 |
| Total | 6,427,000 | 2.2 | 456,000 | 4,596,000 | 2.1 | 310,000 | 10,991,000 | 2.2 | 766,000 |

The information in the three tables above was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

There has been no change to previously reported gold resources and reserves and all underlying assumptions remain unchanged. Please refer to Appendix 1 on the ASX announcement on 23 March 2016 entitled "Kulumadau Gold Deposit part of Larger System".