

## ASX Announcement & Media Release

### Letter from Pacific Road Capital - Takeover Offer

The Board of Kula Gold Limited (ASX:KGD, **Kula**) attaches a letter received from its major shareholder, Pacific Road Capital (**Pacroad**), about the takeover offer (the **Offer**) received from Geopacific Resources Limited (**GPR**).

Kula's directors are considering the letter outlining Pacroad's position on the Offer and advise Kula shareholders to **TAKE NO ACTION** in relation to the Offer until further advice from the Board following its review. For the position postulated by Pacroad to eventuate, GPR will have to vary the Offer, with the following consequences:

- should GPR vary the Offer by increasing the Offer consideration on or before 27 July 2017 (**Notice Date**), the Offer close date will remain on 4 August 2017 (unless otherwise extended by GPR), or
- should GPR vary the Offer by increasing the Offer consideration following the Notice Date, the Offer close date will be automatically extended to the date that is 14 days after the date the Offer is varied, and GPR will be required to offer withdrawal rights to Kula shareholders that have accepted the Offer as a result of the Offer close date being extended for more than one month from the original Offer close date (being 6 July 2017).

In either case, Kula shareholders have time to accept the Offer **AFTER** considering the directors' review.

For further information please visit our website at [www.kulagold.com.au](http://www.kulagold.com.au) or contact:

Mr. Garry Perotti  
Chief Financial Officer  
+61 8 6144 0588



26 July 2017

The Directors  
Kula Gold Limited  
20 Howard Street  
Perth WA 6000

By email: [info@kulagold.com.au](mailto:info@kulagold.com.au)

Dear Sirs

### **Takeover Offer by Geopacific Resources Limited for Kula Gold Limited**

We refer to the bidder's statement dated 1 May 2017 and the associated offer from Geopacific Resources Limited (**Geopacific**) to acquire all of the existing shares in Kula Gold Limited (**Kula**) (**Offer**).

Pacific Road Capital Management GP Limited, Pacific Road Holdings SARL, Pacific Road Capital A Pty Limited, Pacific Road Capital B Pty Limited and Pacific Road Capital Management Limited (**Pacific Road**) are together the registered holders of 139,621,995 shares in Kula (**Pacific Road Kula Shares**), representing 37.2% of all shares in Kula.

Pacific Road notes that, as at the date of this letter, notwithstanding the Offer was first announced on ASX on 5 April 2017, as far as it is aware, no competing offer for the acquisition of 100% of the shares in Kula has been made and nor is there any public announcement regarding such an offer.

Pacific Road has considered the terms of the Offer and confirms after due consideration, on behalf of the holders of the Pacific Road Kula Shares, that in the absence of a superior proposal and subject to the Offer being declared free from all defeating conditions, those holders intend to accept the Offer, in respect of all of the Pacific Road Kula Shares, in the event that Geopacific varies the Offer by increasing the consideration under the Offer from 1 Geopacific Share for every 1.4723 Kula Shares to 1 Geopacific Share or more for every 1.1 Kula Shares.

Pacific Road considers the contents of this letter price sensitive to the shares in Kula and therefore expects that this letter will be released to the ASX immediately and consents to Kula doing so.

Yours faithfully,

A handwritten signature in black ink, appearing to read "M. Stirzaker", is written over a white background.

Mike Stirzaker  
Director, Pacific Road Capital Management Pty Ltd