

## ASX Announcement & Media Release

### PNG GOVERNMENT TO BUY 5% EQUITY IN WOODLARK ISLAND GOLD PROJECT

- **State equity participation of 5% further de-risks the development of Woodlark Island Gold Project**
- **Kula Gold continues to receive strong support from PNG Government and local communities**
- **Fully permitted Project another step along pathway to production**

Kula Gold Limited (ASX: KGD) ("Kula Gold") has received confirmation from the Government of Papua New Guinea regarding the State's equity participation in the development of the Woodlark Island Gold Project.

The PNG Government's decision to acquire a 5% participating interest in the Woodlark Island Gold Project by payment of this proportion of the sunk costs is further evidence of the strong support Kula Gold is receiving from the Government and local communities for the development of the gold mining operation.

In accordance with the conditions of all exploration licences issued under the current Mining Act, the State has the option to acquire a participating interest of up to 30% by the payment of sunk costs and contributing to construction capital costs on a basis pro rata to the percentage of the Project acquired. The State has exercised this option to acquire only a 5% interest in the Project, which will be shared between the local landowners and the Milne Bay Provincial Government. The PNG Government (i.e. the National Government) is expected to fund this acquisition.

The PNG Government has also indicated potential interest in a further acquisition of up to 25% on commercial terms through the State's nominee, Petromin PNG Holdings Limited. Although the terms of any acquisition of a participating interest by Petromin will need to be negotiated at that time, Kula Gold would be willing to consider this if it facilitates early development of the Project.

The confirmation of the State's equity participation in the Woodlark Island Gold Project is another milestone reached along Kula Gold's clearly defined pathway to production, being:

- ✓ Definitive Feasibility Study completed;
- ✓ Environmental approval and Permit granted;
- ✓ Mining Lease granted; and
- ✓ State equity participation decided.

Recent and ongoing exploration success is expected to enhance Project returns.

**Kula Gold CEO Mr Stuart Pether commented, "We are very pleased to have received confirmation of the PNG Government's participation in the development of the Woodlark Island Gold Project."**



*“The State equity commitment is further indication of the robust support we are receiving from not only the PNG Government, but the local communities for the continued development of the Project.”*

*“This milestone follows on from the granting of the Mining Lease for the Project in July. We look forward to updating our shareholders with further news flow in due course.”*

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#### 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.

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