

ASX Announcement & Media Release

Receipt of Increased Takeover Offer

Following the announcement made by Kula Gold Limited (ASX:KGD, **Kula**) on 26 July 2017 in relation the position of its major shareholder, Pacific Road Capital (**Pacroad**) on the takeover offer received from Geopacific Resources Limited (**GPR**), and the GPR announcement on 27 July 2017 increasing the offer to 1 GPR share for 1.1 Kula shares, the Board of Kula would like to advise that the final unconditional takeover offer (the **Increased Offer**) announced by GPR earlier today is at a discount to the value weighted average price (VWAP) of Kula shares on the ASX, as shown below:

Company	Cents per share		
	5 day VWAP	10 day VWAP	30 day VWAP
Kula shares	2.98	2.90	2.95
Implied value of 1.1 Kula shares	3.28	3.19	3.24
GPR shares	2.91	2.88	2.95
Discount on VWAP of offer of 1 GPR share for 1.1 Kula shares (cents)	0.37	0.31	0.29
Percentage discount on VWAP of offer of 1 GPR share for 1.1 Kula shares	11.1%	9.7%	9.1%

The Kula directors will consider the Second Supplementary Bidder's Statement, that GPR has announced will be issued today, and advise Kula shareholders to **TAKE NO ACTION** to accept the Increased Offer until they have seen the formal response from the Kula directors.

For further information please visit our website at www.kulagold.com.au or contact:

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