



# **SULTAN RESOURCES LIMITED**

## **ACN 623 652 522**

### **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Date of Meeting: Tuesday, 20 November 2018**

**Time of Meeting: 9:30am WST**

**Place of Meeting: Level 1, 1 Altona Street, West Perth, Western Australia, 6005**

The Annual Report is available online at <http://www.sultanresources.com.au/>.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Sultan Resources Limited (ACN 623 652 522) (**Company**) will be held at Level 1, 1 Altona Street, West Perth, Western Australia, 6005 on Tuesday, 20 November 2018 commencing at 9:30am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matter to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 9:30am (WST) on Sunday, 18 November 2018.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

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## AGENDA

### Annual Report

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To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Auditor's Report.

#### 1. Resolution 1 – Adoption of Remuneration Report

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To consider and, if thought fit, to pass as an ordinary resolution the following:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2018 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”*

Please note that a vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or

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| (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel. |
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## **2. Resolution 2 – Re-election of Director – Mr Steven Groves**

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To consider and, if thought fit, pass as an ordinary resolution the following:

*“That, for the purpose of clause 12.17.1 of the Constitution and for all other purposes, Mr Steven Groves, a Director who was appointed on 29 May 2018 to fill a casual vacancy, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## **3. Resolution 3 – Re-election of Director – Mr Ariel Edward King**

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To consider and, if thought fit, pass as an ordinary resolution the following:

*“That, for the purpose of clause 12.17.1 of the Constitution and for all other purposes, Mr Ariel Edward King, a Director who was appointed on 29 May 2018 to fill a casual vacancy, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## **4. Resolution 4 – Re-election of Director – Mr Jeremy King**

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To consider and, if thought fit, pass as an ordinary resolution the following:

*“That, for the purpose of clause 12.17.1 of the Constitution and for all other purposes, Mr Jeremy King, a Director who was appointed on 5 April 2018 to fill a casual vacancy, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## **5. Resolution 5 – Re-election of Director – Mr Lincoln Ho**

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To consider and, if thought fit, pass as an ordinary resolution the following:

*“That, for the purpose of clause 12.11 of the Constitution and for all other purposes, Mr Lincoln Ho, a Director who was appointed on 4 January 2018, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

## 6. Resolution 6 – Approval of 10% Placement Facility

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To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person (or persons) who is expected to participate in, or who will obtain a material benefit as a result of, the 10% Placement Facility (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person (or those persons) who are expected to participate in, or who will obtain a material benefit as a result of, the 10% Placement Facility (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

## 7. Resolution 7 – Appointment of Auditor

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To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, RSM Australia Partners, having been nominated by a Shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company on the terms and conditions in the Explanatory Memorandum.”*

Dated 10 October 2018

**BY ORDER OF THE BOARD**



**Mauro Piccini**

Company Secretary

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# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 1, 1 Altona Street, West Perth, Western Australia, 6005 on Tuesday, 20 November 2018 commencing at 9:30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

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Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 have the effect that:

- If proxy holders vote, they must cast all directed proxies as they are directed to; and
- Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to Chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **2.2 Voting Prohibition by Proxy Holders**

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

### 3. Annual Report

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There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at <http://www.sultanresources.com.au/>;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report; and
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

### 4. Resolution 1 – Remuneration Report

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Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Director and Executive Remuneration Act)* which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the Corporations Act, giving Shareholders the opportunity to remove

the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that further meeting but may stand for re-election.

The Corporations Act only requires that listed companies must put a Resolution as to the Remuneration Report to vote. As the Company was listed 14 August 2018, this is the Company's first annual general meeting at which a vote in relation to the Remuneration Report will be cast. Accordingly, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

### **Proxy Voting Restrictions**

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

## **5. Resolution 2 – Re-election of Director – Steven Groves**

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Mr Groves was appointed on 29 May 2018, to fill a casual vacancy.

Clause 12.17.1 of the Constitution states that on the basis of his casual appointment, he must retire at the next general meeting, and is eligible for re-election.

Accordingly, Mr Groves, will retire in accordance with clause 12.17.1 of the Constitution and being eligible, seeks re-election.

Mr Groves has a Bachelor of Applied Geology (Honours) and completed a Master's of Economic Geology from CODES-SRC at the University of Tasmania.

Mr Groves is currently a non-executive director of Six Sigma Metals Ltd (ASX: SI6) and brings 25 years of geological experience in the mining industry including exploration and management roles with BHP Billiton (ASX: BHP), Newmont Mining, Newcrest Mining (ASX: NCM) and A-Cap Resources (ASX: ACB).



The Board (excluding Mr Groves) recommends that Shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

## **6. Resolution 3 – Re-election of Director – Ariel Edward King**

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Mr Ariel Edward King (**Mr Eddie King**) was appointed on 29 May 2018, to fill a casual vacancy.

Clause 12.17.1 of the Constitution states that on the basis of his casual appointment, he must retire at the next general meeting, and is eligible for re-election.

Accordingly, Mr Eddie King, will retire in accordance with clause 12.17.1 of the Constitution and being eligible, seeks re-election.

Mr Eddie King holds a Bachelor of Commerce and Bachelor of Engineering (Mining Systems) from the University of Western Australia. His past experience includes being a manager for a boutique investment banking firm, where he specialised in the technical and financial analysis of global resource projects for equity research and mergers and acquisitions. He was also a representative for a stockbroking and corporate advisory firm where he specialised in providing corporate advisory services for micro-cap ASX-listed companies. Mr King also acts as a director of ASX listed companies, European Cobalt Ltd (ASX: EUC), Eastern Iron Ltd (ASX: EFE), Drake Resources Ltd (ASX: DRK), Axxis Technology Group Ltd (ASX: AYG), Bowen Coking Coal Ltd (ASX: BCB), Six Sigma Metals Limited (ASX:SI6) and the Company.

The Board (excluding Mr Eddie King) recommends that Shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

## **7. Resolution 4 – Re-election of Director – Jeremy King**

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Mr Jeremy King was appointed on 5 April 2018, to fill a casual vacancy.

Clause 12.17.1 of the Constitution states that on the basis of his casual appointment, he must retire at the next general meeting, and is eligible for re-election.

Accordingly, Mr Jeremy King, will retire in accordance with clause 12.17.1 of the Constitution and being eligible, seeks re-election.

Mr Jeremy King is the founding director of Mirador Corporate, a boutique advisory and listed company compliance business. Mr Jeremy King is a corporate advisor with over 15 years' experience in domestic and international legal, financial and corporate matters. He spent several years in London where he worked with Allen & Overy LLP and Debevoise & Plimpton LLP and has extensive corporate experience, particularly in relation to cross-border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. Mr Jeremy King regularly advises ASX listed companies on a range of corporate matters and currently serves on the Boards of Red Mountain Mining Ltd (ASX: RMX), DTI Group Limited (ASX: DTI), Smart Parking Limited (ASX: SPZ), Transcendence Technologies Limited (ASX: TTL), Tando Resources Limited (ASX: TNO) and EHR Resources Limited (ASX: EHX).

The Board (excluding Mr Jeremy King) recommends that Shareholders vote in favour of Resolution 4. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

## **8. Resolution 5 – Re-election of Director – Lincoln Ho**

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Clause 12.11 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down to the nearest whole number), shall retire from office, and that no Director (except a managing director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in the office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 12.11 of the Constitution is eligible for re-election.

Accordingly, Mr Ho will retire in accordance with clause 12.11 of the Constitution and being eligible, seeks re-election.

Mr Ho has almost a decade of experience in equities trading, with a strong focus in corporate restructuring, due diligence, mergers & acquisitions in the emerging companies sector.

Further, he holds specific investor relations experience in Asia, having liaised with high net-worth investors based in Singapore and China.

Mr Ho also acts as non-executive director to ASX-listed Red Mountain Mining Limited (ASX: RMX) and Pure Minerals Limited (ASX: PM1), both of which have a strong focus on the battery minerals space. He was recently appointed as Non-Executive Director to the Pioneer Development Fund (Aust) Limited, a unique fund under a program designed and implemented by the Australian Government to facilitate the supply of equity capital to Australia's Small to Medium Enterprises.

The Board (excluding Mr Ho) recommends that Shareholders vote in favour of Resolution 5. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

## **9. Resolution 6 – Approval of 10% Placement Facility**

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### **9.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently has a market capitalisation of \$5,715,036 and is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer Section 9.2(c) below).

As disclosed in the Company's initial public offering prospectus lodged on 12 June 2018, the Company continues to continue exploration and development activities on its projects and actively seek to acquire new resource assets and investments. The Company may use the 10% Placement Facility to acquire new resource assets or investments.

The Directors of the Company believe Resolution 6 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## **9.2 Description of Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one classes of quoted Equity Securities, being Shares (ASX: SLZ).

### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting any issue or agree to issue, during the 12 month period after the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1A and Listing Rule 7.3A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 31,750,203 Shares and therefore has a capacity to issue:

- (i) 4,762,530 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 6, 3,175,020 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

### **9.3 Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### **9.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price or ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0900 50% decrease in Issue Price	\$0.180 Issue Price	\$0.3600 100% increase in Issue Price
<b>Current Variable "A"</b> <b>31,750,203</b> <b>Shares</b>	10% Voting Dilution	3,175,020 Shares	3,175,020 Shares	3,175,020 Shares
	Funds raised	\$285,752	\$571,504	\$1,143,008
<b>50% increase in current Variable "A"</b> <b>47,625,304</b> <b>Shares</b>	10% Voting Dilution	4,762,530 Shares	4,762,530 Shares	4,762,530 Shares
	Funds raised	\$428,628	\$857,256	\$1,714,511
<b>100% increase in current Variable "A"</b> <b>63,500,406</b> <b>Shares</b>	10% Voting Dilution	6,350,040 Shares	6,350,040 Shares	6,350,041 Shares
	Funds raised	\$571,504	\$1,143,008	\$2,286,015

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.180, being the closing price of the Shares on ASX on 8 October 2018.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. The Company notes that issues under listing rule 7.1A to related parties (whether existing or new Shareholders) are only permitted if it falls within Listing Rule 7.2 exception 14, or an exception in Listing Rule 10.12.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **10. Resolution 7 – Appointment of Auditor**

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The Directors of a public company must appoint an auditor within one month of registration. The Directors have appointed RSM Australia Partners as the Company's auditor.

The auditor of a public company so appointed within one month of registration holds office until the first annual general meeting of the Company, pursuant to s327A(2) of the Corporations Act. Pursuant to section 327B(1)(a) of the Corporations Act, the auditor must be re-appointed at the first annual general meeting so that they may continue to act as auditor of the Company.

It is proposed that RSM Australia Partners be appointed as auditor of the Company pursuant to section 327B(1)(a) of the Corporations Act.

RSM Australia Partners has consented to act in this capacity and all other requirements of the Corporations Act in relation to the appointment of auditors have been, or, at the date of the Notice are being met.

In accordance with section 328B(1) of the Corporations Act, a Shareholder has nominated RSM Australia Partners to be the Company's auditor, a copy of the nomination letter is attached in Annexure A.

If this Resolution is passed, the appointment of RSM Australia Partners as the Company's auditor will take effect at the close of the Meeting.



## Schedule 1 – Definitions

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In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 9.1.

**10% Placement Period** has the meaning given in Section 9.2.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2018.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Sultan Resources Limited (ACN 623 652 522).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities contained in the Annual Report.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listed Options** means listed options of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscribe for one Share.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Two Strikes Rule** has the meaning in Section 4.

**VWAP** means volume weight average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

## Annexure A – Nomination of Auditor

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5 October 2018

The Directors  
Sultan Resources Limited  
Suite 2, Level 1  
1 Altona Street  
West Perth WA 6005

Dear Sirs,

**Notice of Nomination of Auditor**

Xcel Capital Pty Ltd (ACN 817 047 319), being a member of Sultan Resources Limited (ACN 823 852 522) (Company), hereby request that at the annual general meeting of the Company, the Company consider, and if thought fit, pass resolutions that RSM Australia Partners, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as auditor of the Company pursuant to section 327B(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

This letter services as a Notice of Nomination in accordance with section 328B(1) of the Corporations Act.

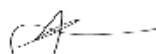
In addition, pursuant to section 328B(3) of the Corporation Act, please send a copy of this notice to RSM Australia Partners and any person entitled to receive notice of general meetings of the company.

EXECUTED by Xcel Capital Pty Ltd (ACN 817  
047 319) in accordance with Section 127 of the  
Corporations Act: )  
)  
)



Signature of Director

Edwin Bulseco  
Name of Director



Signature of Director

Stephen Tomsic  
Name of Director

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

## Vote by Proxy: SLZ

Your proxy voting instruction must be received by **9:30am (WST) on Sunday, 18 November 2018**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

#### Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	<b>Return your completed form</b>	<b>Contact us – All enquiries to Automic</b>	
	<b>BY MAIL:</b> Automic GPO Box 5193 Sydney NSW 2001	<b>IN PERSON:</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	<b>WEBCHAT:</b> <a href="https://automic.com.au/">https://automic.com.au/</a> <b>EMAIL:</b> <a href="mailto:hello@automic.com.au">hello@automic.com.au</a> <b>PHONE:</b> 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1: Appoint Your Proxy	<b>Complete and return this form as instructed only if you do not vote online</b>																			
	I/We being a Shareholder entitled to attend and vote at the <b>Annual General Meeting of Sultan Resources Limited to be held at Level 1, 1 Altona Street, West Perth, Western Australia, 6005 on 20 November 2018 commencing at 9:30am (WST)</b> hereby:																			
	<b>Appoint the Chairman of the Meeting (Chair)</b> OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.																			
	<table border="1" style="width:100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																			

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**  
 Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**  
 Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Resolution 2 – Re-election of Director – Mr Steven Groves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Resolution 3 – Re-election of Director – Mr Ariel Edward King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Resolution 4 – Re-election of Director – Mr Jeremy King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Resolution 5 – Re-election of Director – Mr Lincoln Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Resolution 6 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Resolution 7 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i><b>Please note:</b> If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>				

STEP 3: Sign Here + Contact Details	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<input style="width: 100%; height: 20px;" type="text"/>		
	Email Address:		
	<input style="width: 100%; height: 40px;" type="text"/>		
Contact Daytime Telephone		Date (DD/MM/YY)	
<input style="width: 100%; height: 20px;" type="text"/>		<input style="width: 20px; height: 20px;" type="text"/> / <input style="width: 20px; height: 20px;" type="text"/> / <input style="width: 20px; height: 20px;" type="text"/>	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			