

ASX ANNOUNCEMENT

26 April 2019

MARCH QUARTERLY REPORT

For the period 1st January – 31st March 2019

Sultan Resources Limited (“SLZ” or “the Company”) is pleased to provide shareholders with the following update for the Company’s activities for the quarter ended 31st March 2019.

PROJECTS

Lake Grace

During the quarter the Company was pleased to announce that all approvals and relevant access agreements were in place for the Challenger Prospect, paving way for the commencement (and completion post-quarter) of its maiden RC drilling program of 12 holes for a total of 1,782m at Challenger.

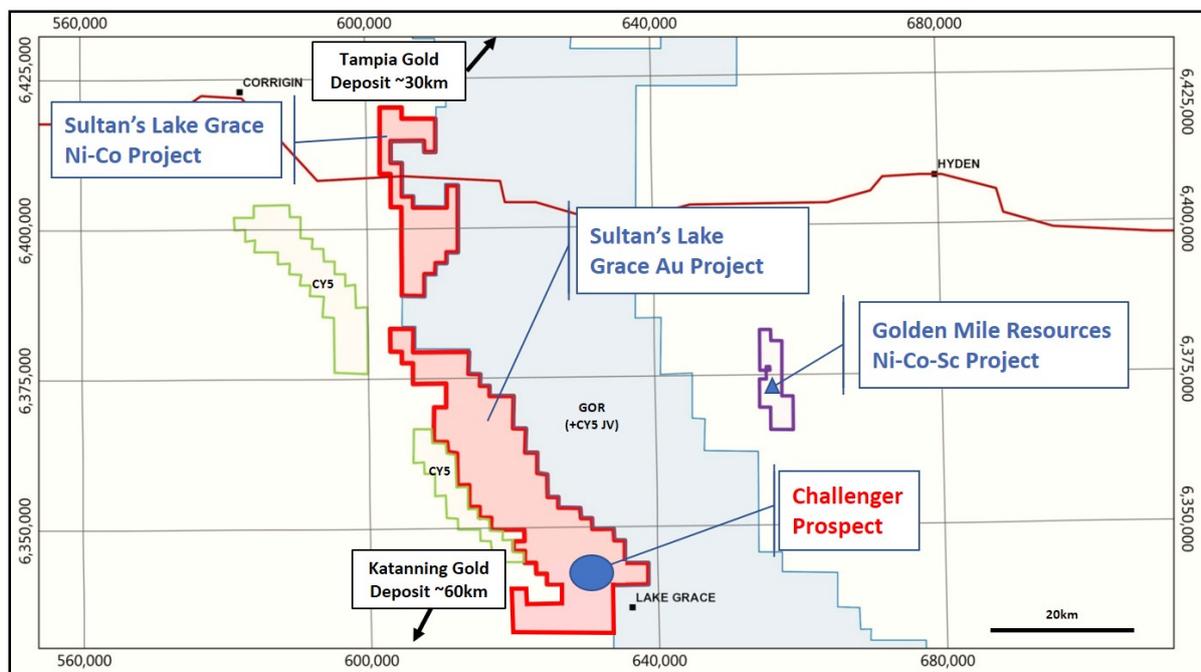


Figure 1: Sultan's Lake Grace Project showing the location of the Challenge Prospect (blue dot)

The program targeted a 1km long, >0.1g/t Au aircore gold anomaly defined by North Limited (“North”) in exploration programs undertaken across the area in the mid-1990s¹⁻⁵. Sultan’s drill program was designed to confirm the extent and tenor of the



surface gold mineralisation, test the depth and down-plunge extent of the higher-grade mineralised zones and provide an understanding of the stratigraphy and structure across the Challenger Prospect.

DRILLING COMPLETED POST QUARTER

Most of the drilling was undertaken during March, with the final hole completed in early April and the program summary announced to the market on 04/04/2019. The drill holes intersected numerous thick intervals of mafic granulite rock types containing zones of strong sulphide mineralisation, similar in appearance to those that host gold mineralisation at the nearby Tampia^{2,4} and Katanning³ Gold Deposits (Figure 2).



Figure 2: RC chips of sulphide-rich mafic rocks from hole 195LGR12

Historic aircore drilling by North Limited¹ shows that the bulk of elevated shallow gold anomalism (i.e. >0.1g/t Au) is associated with weathered mafic rocks and the two diamond holes completed by North also revealed a strong association between sulphide mineralised mafic rocks and elevated gold mineralisation¹.

All holes in Sultan's program that penetrated the bedrock intersected mafic material, with the thickest intercepts of sulphidic mafic granulites occurring in the eastern half of the area, directly beneath historical aircore holes that include results such as: LGA183 19m @ 0.24g/t Au, LGA175 32m @ 0.22g/t Au and LGA9 16m @ 0.35 g/t Au (Figure 3). Sulphide minerals were identified as predominantly pyrite and pyrrhotite.

Logged intervals of mafic granulites containing zones of strong, disseminated sulphide mineralization from the recent drilling include:

- 19SLGR09: 27 – 90m - mafic granulite with zones of disseminated sulphides and minor felsic intervals
- 19SLGR10: 44 – 174m - mafic granulite with pervasive disseminated sulphides and minor felsic intervals
- 19SLGR11: 46 – 117m - dominantly mafic granulite with pervasive disseminated sulphides throughout
- 19SLGR12: 52 – 130m - dominantly mafic granulite with zones of strong disseminated sulphides throughout



Samples from all holes are being analysed at an independent laboratory for gold content and other associated elements, with results anticipated during the June quarter.

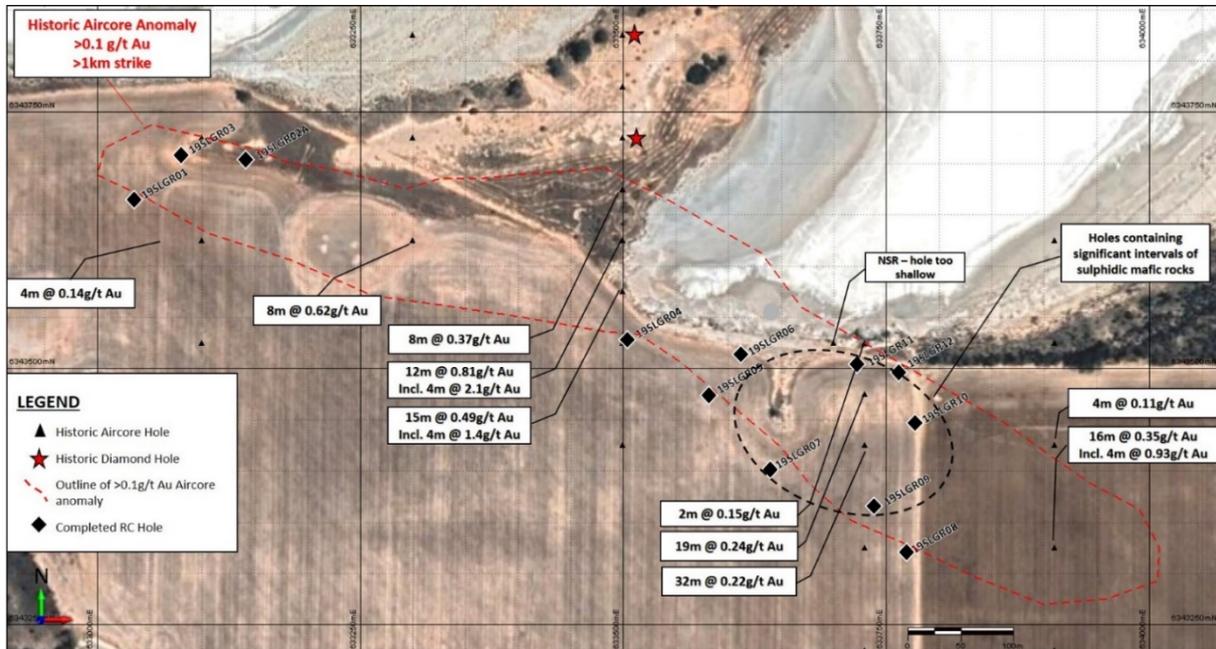


Figure 3: Plan view of the Challenger Prospect showing historic drilling (black triangles or red stars) and the large historic aircore gold anomaly (red dashed outline). Black diamonds denote the collar positions of Sultan's recently completed RC program

References:

- 1 North Limited - Public Company Report A45226: "Final Report on Exploration Licences E70/1367 & E70/1368" August 1995
- 2 Explarum Limited – Company Presentation: "Unlocking Wheatbelt Gold", 03/08/2018
- 3 Ausgold Limited – ASX Release: "Katanning Gold Project Resource expanded to 1.04 million ounces" 26/11/2018
- 4 Explarum Limited – ASX Release: "Independent Expert's Report" 17/01/2019
- 5 Sultan Resources – ASX Release: "RC Drilling on Historic Targets at Lake Grace to Commence" 13/03/2019

NEW EXPLORATION LICENCE GRANTED

During February, the Company received notification from the Western Australian Department of Mines, Industry, Regulation and Safety (DMIRS) that its application for licence E70/5179 had been successfully granted (ASX Announcement: 20/02/2019). The licence, comprising 28 graticular blocks covering ~77km², lies adjacent to the Company's substantial Lake Grace package of granted tenements in the Southwest terrane of the Yilgarn Craton in Western Australia (Figure 4). The licence is prospective for gold mineralisation and is situated along strike to the southeast of the historically mined Griffins Find gold deposit and the historically drilled Ridge / Taylors gold prospect.

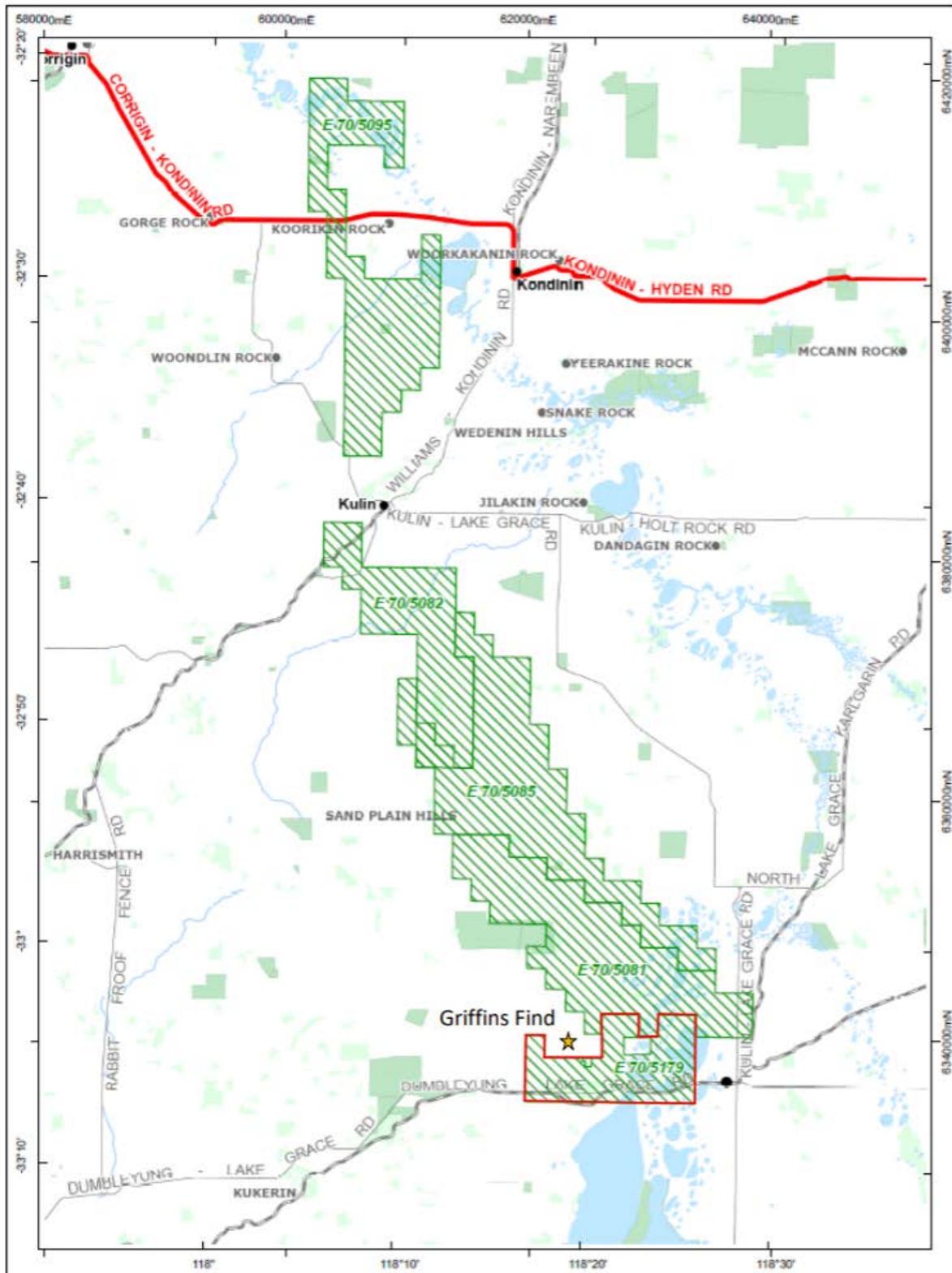


Figure 4: Sultan's Lake Grace Project tenements shaded in green. Location map of the recently granted E70/5179 licence at Lake Grace (red outline). The historically mined Griffins Find Gold Mine is marked by the yellow star.



OTHER PROJECTS

Thaduna

Follow up exploration of the recent gold and base-metal aircore anomalies defined late in 2018 are planned for the 2019 field season. Activities are anticipated to include ground geophysical surveys and further shallow and deep drilling. Negotiations with traditional heritage groups for further land access are ongoing.

East Tallering

A drill program following up historic aircore and RAB gold mineralisation has been planned and discussions with traditional heritage groups for land access are ongoing.

Dalwallinu

Landowner access negotiations are ongoing.

CORPORATE

During March, the Company appointed Mr David Lees as Non-Executive Director. Mr Ariel Edward King (Eddie King) and Mr Lincoln Ho have resigned as directors of SLZ, facilitating a more streamlined corporate structure (ASX Announcement, 13.03/2019).

The Company carried out a pro-rata non-renounceable loyalty offer to eligible shareholders offering one new share for every two existing shares held at an issue price of \$0.005 (0.5cents) (ASX Announcement, 15/02/2019). Total applications for the new shares raised \$73,850.94. The shortfall of 1,104,920 shares will be placed within 3 months of the closing date of the loyalty offer being, 6 June 2019 – raising a further \$5,525.00.

PORTFOLIO OVERVIEW

Sultan has 100% ownership of a 946km² portfolio of ground prospective for gold, nickel, cobalt and base metals and lies in close proximity to a number of significant recent discoveries. Sultan's portfolio consists of four project areas:

- Thaduna in the Peak Hill area approximately 190km NE of Meekatharra,
- Lake Grace approximately 250km SE of Perth
- East Tallering 180km east of Geraldton
- Dalwallinu 195km NE of Perth

SCHEDULE OF TENEMENTS



Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Dalwallinu Project							
E70/4884	Sultan 100%	Live	57 blocks	30/06/2016	4/08/2017	3/08/2022	\$57,000
Thaduna Project							
E52/3461	Sultan 100%	Live	6 blocks	11/07/2016	31/10/2017	30/10/2022	\$20,000
E52/3481	Sultan 100%	Live	1 block	19/10/2016	8/02/2018	7/02/2023	\$10,000
Tallering East Project							
E59/2185-I	Sultan 100%	Live	22 Blocks	17/06/2016	1/02/2017	31/01/2022	\$22,000
Lake Grace Project							
E70/5081	Sultan 100%	Live	58 blocks	21/11/2017	23/07/2018	22/07/2023	\$58,000
E70/5082	Sultan 100%	Live	37 blocks	23/11/2017	31/07/2018	30/07/2023	\$37,000
E70/5085	Sultan 100%	Live	65 blocks	24/11/2017	23/07/2018	22/07/2023	\$65,000
E70/5095	Sultan 100%	Live	54 blocks	1/12/2017	31/07/2018	30/07/2023	\$54,000
E70/5179	Sultan 100%	Pending	28 blocks	1/6/2018	05/02/19	04/02/2024	\$28,000

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical and recent exploration information compiled by Mr Steven Groves, who is a Competent Person and a Member of the Australian Institute of Geoscientists. Mr Groves is Managing Director and a full-time employee of Sultan Resources Limited. Mr Groves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information announced to the market by Explaurum Limited on 17 January 2019 (Tampia) and Ausgold Limited on 26 November 2018 (Katanning). Sultan confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.