

## ASX ANNOUNCEMENT

3rd July 2019

## EXPLORATION AND COMPANY UPDATE

**Sultan Resources Ltd**

ACN: 623652 522

### CORPORATE DETAILS

**ASX Code: SLZ**

### DIRECTORS

**STEVEN GROVES**  
MANAGING DIRECTOR

**JEREMY KING**  
CHAIRMAN

**DAVID LEES**  
NON-EXECUTIVE DIRECTOR

### CONTACT

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### Highlights

- **Remaining 4m composite gold assay results received for maiden Reverse Circulation (RC) drilling programme completed at the Challenger Prospect at Sultans's Lake Grace Gold Project**
  - Further significant intervals of gold-mineralised rocks intersected
- **Sultan has identified a regional structural trend at Lake Grace that contains numerous significant gold occurrences and is suggestive of a district-scale gold camp**
- **Airborne Magnetic survey identifies 84 exploration targets prospective for both gold and nickel, including:**
  - Shear zone that contains Challenger Prospect interpreted to extend for ~45km to the NW, encompassing all significant historic gold prospects identified by previous explorers
  - 25km strike of interpreted new ultramafic sequences
- **Detailed ground gravity survey over circa 50km<sup>2</sup> of Challenger and surrounding areas to better define follow-up drill targets**
- **WA wheatbelt region continues to grow as a gold mineralisation district, and includes the Tampia, Katanning, Syme's Find and Griffen's Mine deposits**
- **Company to implement cost reduction programme, effective 1 July, 2019**

The Board of Sultan Resources Ltd (**Sultan** or the **Company**) is pleased to update shareholders on the ongoing exploration program at the Company's Lake Grace Project located approximately 250km southeast of Perth, WA. The final composite gold assay results have been received from Reverse Circulation (RC) drilling program at the Challenger Gold Prospect in the company's Lake Grace portfolio<sup>5</sup> and comprehensive geophysical interpretations have been received for the magnetic survey flown over the area late in 2018.

### Significant Results

During March and early April, the Company completed 12 RC holes for 1,782m targeting a 1km long, >0.1g/t historic Au aircore gold anomaly at the Challenger Prospect 8km north of Lake Grace in southwest WA<sup>6</sup>. 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 675koz



Tampia<sup>2,4</sup> and 1moz Katanning<sup>3</sup> Gold Deposits. Samples of one metre intervals of prospective-looking mafic lithology were received in May<sup>8</sup> and revealed a number of significant gold-mineralised intervals (Figures 1 & 2) that, together with the two historic diamond holes completed by North during the 1990s<sup>1</sup>, define a >450m of strike of >0.5g/t Au bedrock intercepts with thicknesses generally in excess of 10m and a down plunge extent of over 200m<sup>8</sup>. These results sit within a broader, low grade gold (i.e.>20ppb) envelope that is continuous for over 1km and displays a consistent thickness of up to 90m, indicating the scale of the gold mineralising event that has occurred at the Challenger Prospect.

Managing Director, Steve Groves, commented:

*“The ongoing exploration results from Lake Grace confirm the project as a high-quality destination for the potential discovery of both gold and base-metal mineralisation. The recent drilling has demonstrated that a gold-mineralising event of significant scale has been operating at the southern end of an extensive structural trend that extends for at least 45km throughout our portfolio. This structural trend contains numerous significant gold occurrences and is suggestive of a district-scale gold camp.*

*In addition to the gold potential, the recent mag survey has outlined a cumulative 25 km strike of likely ultramafic rocks that remain unexplored. The only exploration for nickel on our licences occurred during the 1960’s into a 2.6km long outcropping ultramafic body where diamond drill-holes intersected disseminated nickel-cobalt sulphides in fresh rock. We are very excited about the nickel-sulphide potential and aim to develop this target-type in addition to further exploration for gold across the portfolio.”*

Four metre composite samples of rock-types considered to be less prospective for gold have now been received and have returned significant intersections including:

Hole ID	From (m)	To(m)	Interval (m)	Gold Grade g/t	Lithology
19SLGR10	33	44	11	0.14	Overburden/sand
19SLGR12	48	50	2	0.24	Overburden/sand

*Table 1: Table of significant intersections from the recent RC drill program. Intervals have been calculated using a >0.1g/t cut-off, with no more than 2m of internal dilution. All intercept thicknesses are down-hole thicknesses. The table presents the highlights of recent composite assay results, with a full table of significant intersections >0.1g/t Au presented in Appendix 1.*

The intersection in 19SLGR10 is situated immediately above the previously reported 8m @ 0.52g/t Au from 44m<sup>8</sup> but is situated in the unconformably overlying unconsolidated sand rather than mafic bedrock and therefore hasn’t been combined with the bedrock intersection. The interval in 19SLGR12 is also in overlying sands.

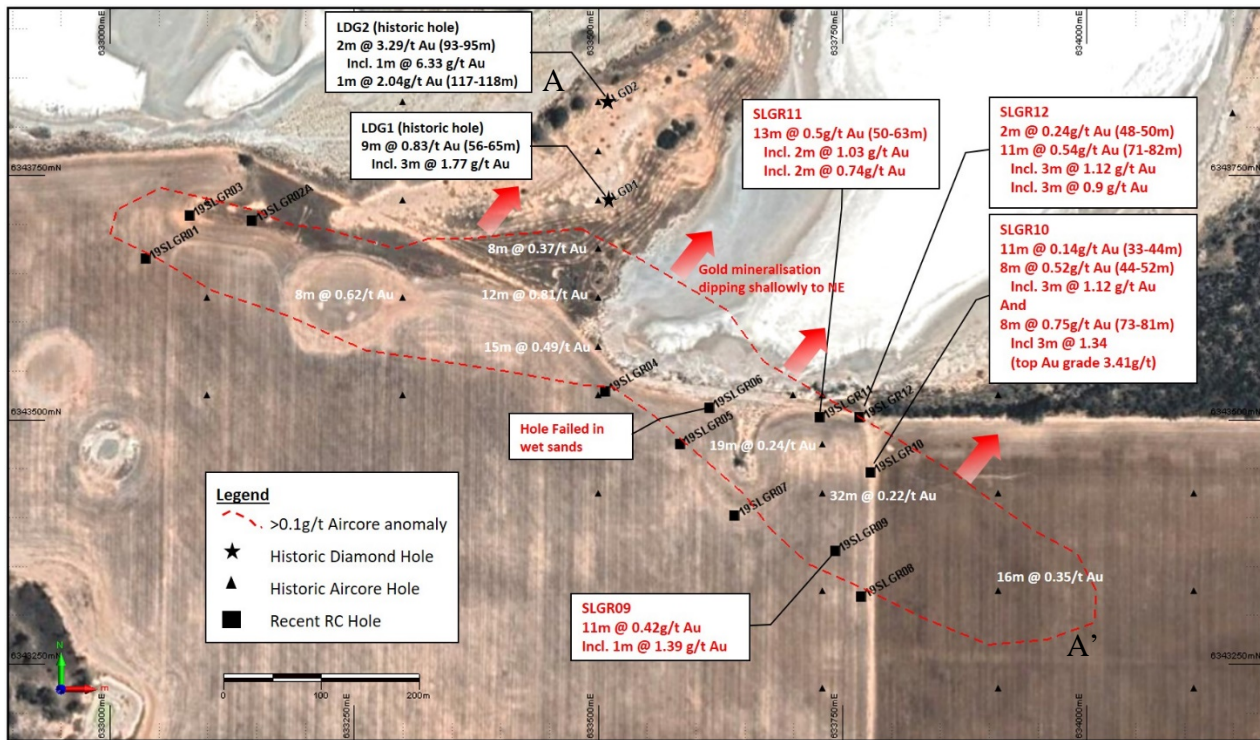


Figure 1: Plan view of the Challenger Prospect showing updated significant intersections (red text boxes) of the recent RC drill program (black squares). The highlights of significant intercepts from historic drilling (black triangles or stars) and the large historic aircore gold anomaly (red dashed outline) are also displayed. The line of the long section depicted in Figure 2 is marked A – A'

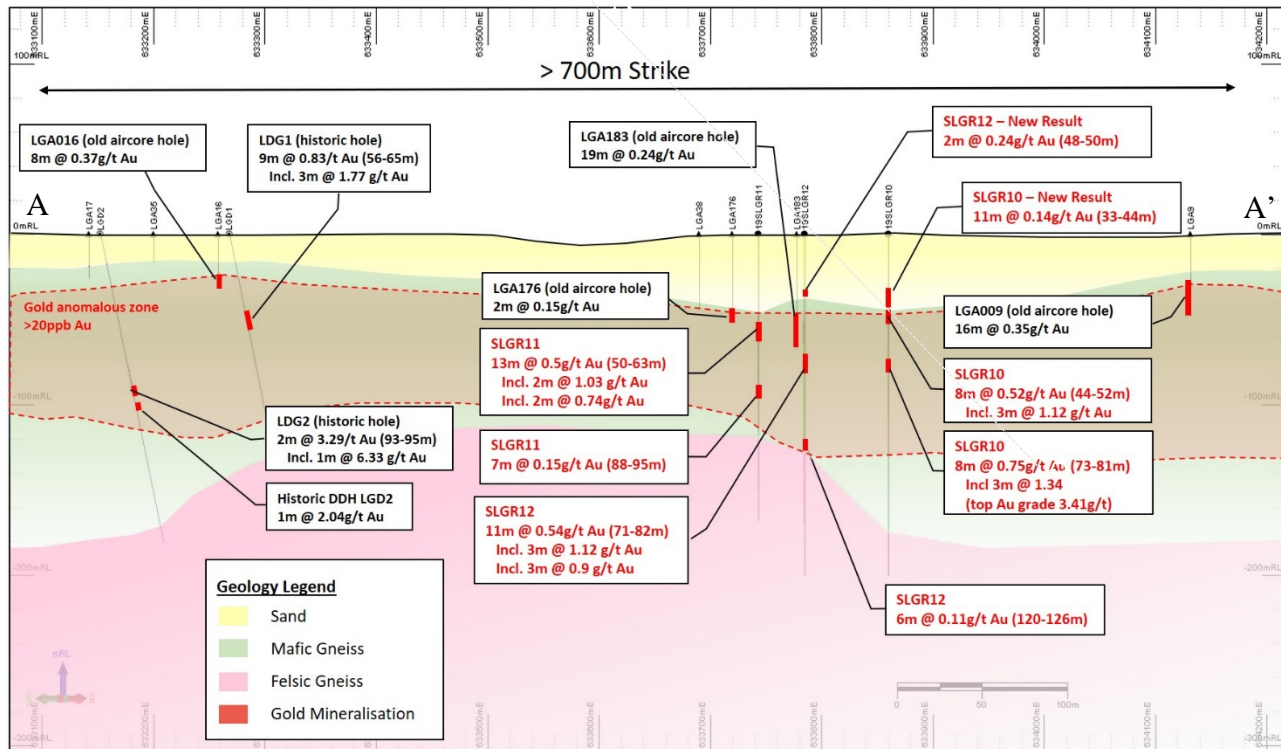


Figure 2: Long Section, looking northeast, through recent holes 19LGR10, 11 and 12 and historic diamond holes LDG01 and 02. Gold intersections of significant thickness and over 0.1g/t are shown. The gold-hosting zone is interpreted to dip shallowly into the page



### **Geophysical Survey and Interpretation**

During December 2018, the company commissioned by MAGSPEC Airborne Surveys to undertake a high-resolution airborne magnetic survey of its entire Lake Grace portfolio. The existing, publicly available magnetic data was deemed insufficient to allow meaningful geological and structural interpretations on a prospect scale. The survey was flown in two parts: the first across E70/5095 (Kulin Hill) and the second across E70/5081, E70/5082, E70/5085 and E70/5179 (Lake Grace). Data was collected along 100m-spaced lines at a sensor height of 40m for a total of 8,996 line-kilometres. A full geological, structural and exploration targeting exercise was undertaken on the survey results by Core Geophysics and was recently received by Sultan. The results of the interpretation are extremely encouraging, with a total of 84 exploration target areas identified by Core Geophysics as worthy of further investigation.

### **Geophysical Results**

Core Geophysics has provided Sultan with two interpretive reports for the Lake Grace survey. The first covers the Kulin Hill area (E70/5095) where 2,458 line-km were flown and the second covers the larger Lake Grace area where 6,538 line-km were completed. The airborne magnetic and radiometric survey data was used to map magnetic lithologies and generate a geological and structural framework over the entire tenement.

**Kulin Hill** - The area encompassed by the survey is characterised by granite and gneiss that forms a part of the Western Gneiss Terrain. Granites appear to occur as plutons that intrude into the gneiss. Small enclaves of mafic, ultramafic (potential nickel host rock) and metasedimentary rocks are interpreted to occur within a portion of this survey.

In the north, a 2.6km long ultramafic body is known to be associated with the occurrence of Ni-Co sulphides in historic drilling<sup>9</sup> and the survey has provided greatly improved detail on the structure of this arcuate body (Figure 3). The survey has also delineated a further 14.5km strike of interpreted ultramafic bodies to the southeast that remain unexplored. A total of 24 structural/geological targets have also been identified by Core Geophysics as worthy of follow-up exploration.

**Lake Grace** – The geology evident in the Kulin Hill survey area extends southwards through the Lake Grace tenements and a similar geological and structural map was produced. The area is structurally complex, but the shear/structural zone that contains Challenger Prospect was identified to extend for ~45km to the NW of Challenger and is spatially related to all significant historic gold prospects identified by North Limited and other explorers (Figure 4).

A further 9.5km zone of probable ultramafic rocks was identified in the central-east portion of the survey area (Figure 4). Core Geophysics also identified a total of 60 structural/geological targets as worthy of follow-up exploration throughout the Lake Grace tenements.



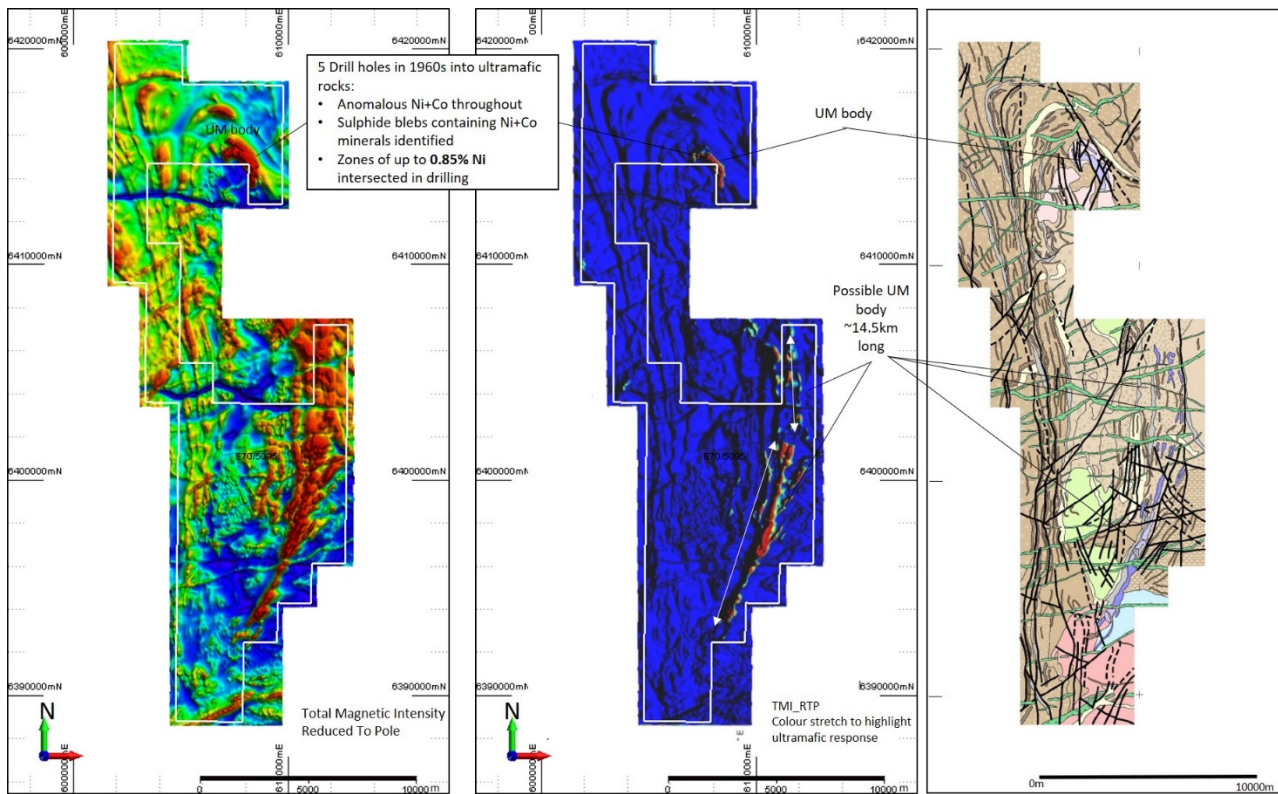


Figure 3: Results of the recent airborne magnetic survey at Kulin Hill showing the position of known and interpreted, ultramafic bodies. The image on the left is total magnetic intensity, reduced to pole, the centre image shows the same data but with a colour stretch applied to highlight the ultramafic response. The image on the right shows the detailed geological interpretation at the same scale.

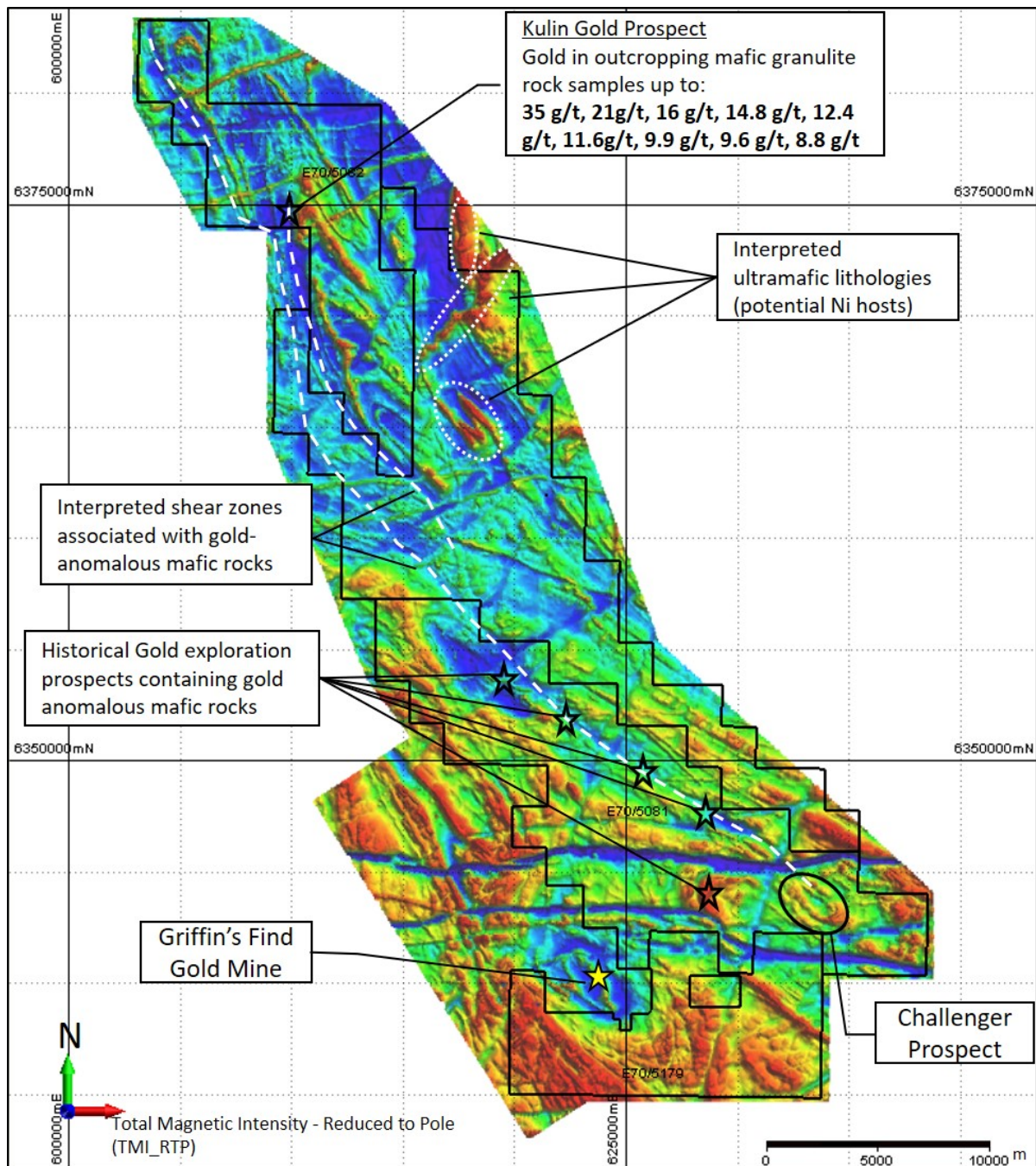


Figure 4: Regional magnetic image of Sultan's Lake Grace portfolio. The Challenger Prospect, located in the southeast, marks the start of a northwest-trending zone of gold-anomalous mafic rocks associated with major NW-trending features interpreted to indicated major shearing. The evidently strongly folded stratigraphy at the Kulin Gold Prospect is coincident of historic surface samples of high-grade gold.

### Ground Geophysics Program

Sultan is planning to follow up the Challenger drilling and airborne geophysics with a detailed ground gravity survey. Designed to cover the Challenger Prospect and extend northwest along the gold-hosting structural trend, the survey will aim to provide detailed structural information on the dense, mafic gold-hosting rock types and will assist in planning follow-up drilling to target likely sites of higher-grader gold accumulation. The survey will commence in the July 2019 quarter.

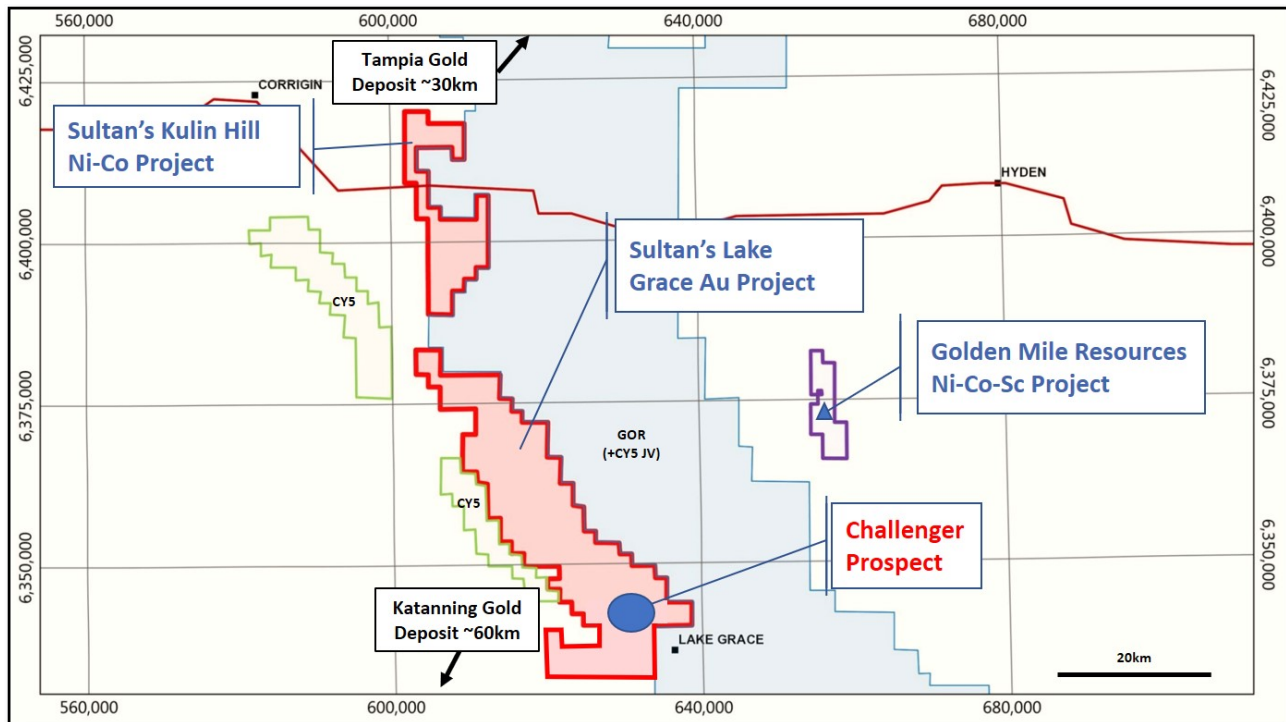


Figure 5: Sultan's Lake Grace Project showing the location of the Challenger Prospect (blue dot) and the Kulin Hill area

### Cost Reduction Programme

The Board has determined that it will implement a cost reduction programme to ensure that its running costs are competitive, and recognizing the current challenging environment for exploration juniors.

The cost reduction program includes the following elements:

- All non-essential expenditure on the Company's exploration projects will be deferred.
- The contract of Mr Steve Groves, the Company's Managing Director, will be adjusted such that he will be on a base salary of \$40,000 per annum. The Company's non-executive directors, Mr Jeremy King and Mr David Lees shall have their annual director fees reduced by 20%.
- Corporate advisory, investor relations, and corporate secretarial and financial management service fees shall be reduced by a minimum of 20%.
- The Company will terminate all non-essential services and consultancy contracts.

For further information contact:

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#### Investor Relations

Peter Taylor

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0412 036 231

**References:**

- 1 North Limited - Public Company Report A45226: *"Final Report on Exploration Licences E70/1367 & E70/1368"* August 1995
- 2 Explaurum 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 Explaurum 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
- 6 Sultan Resources – ASX Release: *"RC Drilling on Historic Targets at Lake Grace Complete"* 04/04/2019
- 7 Associated Goldfields – Public Company Report A19545: *"Final Report on Exploration Licence E70/180"* August 1995
- 8 Sultan Resources – ASX Release: *"First Gold Assay Results"* 16/05/2019
- 9 Sultan Resources – ASX Release: *"Company Prospectus"* 14/08/2019

**Competent Persons Statement**

The information in this report that relates to Exploration Targets and Exploration Results is based on historical 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.

**About Sultan Resources**

Sultan Resources is a West Australian focused exploration company with a portfolio of quality assets in emerging discovery terranes currently targeted by successful explorers such as Gold Road Resources, Sandfire Resources and Lodestar Minerals. Sultan's tenement portfolio includes prospective targets for gold, Nickel, Cobalt and base metals and include tenements at Thaduna, Lake Grace, East Tallering and Dawallinu, all located within the southern terrane region of the Yilgarn Craton in south and south eastern Western Australia. Sultan's board and management strategy is for a methodical approach to exploration across the prospects in order to discover gold and base metals that may be delineated via modern exploration techniques and exploited for the benefit of the company and its shareholders.

**Appendix 1: Collar details of recently drilled Reverse Circulation Holes**

Hole ID	East MGA94	North MGA94	Depth (m)	Dip	Azimuth	RL (masl)	Comment
19SLGR01	633037	6343665	100	-60	220	275	
19SLGR03	633082	6343709	246	-90	220	275	
19SLGR02A	633146	6343704	200	-80	170	272	driller set up on wrong dip, redrilled as 19SLGR02A
19SLGR04	633507	6343529	138	-70	220	277	





19SLGR07	633640	6343402	114	-70	220	270	re-entry failed due to collapsing quartz sands
19SLGR11	633727	6343502	168	-90	220	0	
19SLGR09	633743	6343366	130	-90	220	0	
19SLGR10	633779	6343446	200	-90	220	270	
19SLGR08	633769	6343319	120	-60	220	278	
19SLGR05	633584	6343475	150	-60	220	278	
19SLGR06	633614	6343512	46	-90	0	275	stopped due to collapsing quartz sands and blown collar
19SLGR12	633765	6343500	170	-90	0	0	

## Appendix 2: Significant intersections of recently drilled Reverse Circulation Holes

Intervals have been calculated using a >0.1g/t cut-off, with no more than 2m of internal dilution. All intercept lengths are down-hole lengths

Hole ID	From (m)	To(m)	Interval (m)	Gold Grade g/t
<b>19SLGR2</b>	30	34	4	0.16
<b>19SLGR2a</b>	27	28	1	0.10
<b>19SLGR4</b>	40	41	1	0.18
<b>19SLGR9</b>	<b>31</b>	<b>42</b>	<b>11</b>	<b>0.42</b>
	58	59	1	0.10
<b>19SLGR10</b>	<b>33</b>	<b>44</b>	<b>11</b>	<b>0.14</b>
	<b>44</b>	<b>52</b>	<b>8</b>	<b>0.52</b>
	incl. 45	48	3	1.12
	55	62	7	0.12
	<b>73</b>	<b>81</b>	<b>8</b>	<b>0.75</b>
	incl. 77	81	3	1.34
	incl. 79	80	1	3.41
<b>19SLGR11</b>	<b>50</b>	<b>63</b>	<b>13</b>	<b>0.50</b>
	incl. 53	55	2	1.03
	incl. 57	59	2	0.74
	88	95	7	0.15
	103	106	3	0.12
<b>19SLGR12</b>	<b>48</b>	<b>50</b>	<b>2</b>	<b>0.24</b>
	<b>71</b>	<b>82</b>	<b>11</b>	<b>0.54</b>
	incl. 72	74	2	1.00
	incl. 78	81	3	0.90
	120	126	6	0.11

## Appendix 3: Details of nearby, publicly reported gold resources referred to in this document

Katanning - Ausgold Limited			
Measured	Indicated	Inferred	Total



Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au
2,068,200	2.15	142,890	8,287,500	1.28	340,320	14,739,800	1.17	555,750	<b>25,095,500</b>	<b>1.29</b>	<b>1,038,960</b>
Ausgold Limited ASX Release: "Katanning Gold Project Resource expanded to 1.04 million ounces" 26/11/2018											
<b>Tampia - Explaurum Limited</b>											
<b>Measured</b>			<b>Indicated</b>			<b>Inferred</b>			<b>Total</b>		
Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au
-	-	-	9,800,000	1.8	580,000	2,000,000	1.6	90	<b>11,700,000</b>	<b>1.8</b>	<b>675,000</b>
<b>Mace - Explaurum Limited</b>											
<b>Measured</b>			<b>Indicated</b>			<b>Inferred</b>			<b>Total</b>		
Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au
-	-	-	-	-	-	400,000	1.4	20,000	<b>400,000</b>	<b>1.4</b>	<b>20,000</b>
Explaurum Limited ASX Release: "Independent Expert's Report" 17/01/2019											

## Appendix 4: JORC Code, 2012 Edition Table 1 - Lake Grace Project

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li><i>Nature &amp; quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity &amp; the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. Samples were split from the sample stream every metre as governed by metre marks on the drill string, by a cone splitter approximating between 7-13% of the full metre of sample. The dust box was used to control the flow of chips to the cone splitter.</li> <li>Duplicates were taken every metre from the alternate sample opening on the cone splitter. This gave flexibility to where field duplicates were introduced into the geochemical sampling stream to the lab and allowed for compositing at any depth or interval.</li> <li>On a regular basis both sample and duplicate were weighed with a simple hook based hand held scale to check for representivity of both the metre sampled and the duplicate. This weight was not recorded, rather used as an in-filed measure to alert drillers of issues with the cone splitter and drilling.</li> <li>Samples were collected in calico bags – each bag weighed approximately 1-3kg.</li> <li>A small (1-2 teaspoon sized) representative sample was kept of each metre for record purposes.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) &amp; details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented &amp; if so, by what method, etc.).</i></li> </ul>	<ul style="list-style-type: none"> <li>Reverse Circulation drilling was used to obtain 1m samples for the purpose of geological logging and geochemistry. Compositing was performed for some geochemical samples (see elsewhere in this table)</li> <li>RC sampling completed using a 5.5” diameter drill bit with a face sampling hammer. RC drilling rigs were equipped with a booster compressor.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording &amp; assessing core &amp; chip sample recoveries &amp; results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery &amp; ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery &amp; grade &amp; whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC Drillers were advised by geologists of the ground conditions expected for each hole and instructed to adopt an RC drilling strategy to maximize sample recovery, minimize contamination and maintain required spatial position.</li> <li>• Sample recovery is approximated by assuming volume and rock densities for each metre of the drill hole and back referencing to this for individual metres coming from the cone splitter.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>Whether core &amp; chip samples have been geologically &amp; geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies &amp; metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></li> <li>• <i>The total length &amp; percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All drilling in this ASX release is by reverse circulation (RC). RC holes are geologically logged on a 1m interval basis. Where no sample is returned due to voids or lost sample, it is logged and recorded as such. The weathering profile is logged with no washing/sieving as well as washed/sieving to identify the transition into fresh rock and to identify unweathered quartz veins. In fresh rock all RC chips are logged by washing/sieving.</li> <li>• Geological logging is qualitative and quantitative in nature.</li> <li>• Visual estimations of sulphides and geological interpretations are based on examination of drill chips from a reverse circulation (RC) drill rig using a 20x hand lens during drilling operations. Chips are washed and sieved prior to logging.</li> <li>• It should be noted that whilst % mineral proportions are based on standards as set out by JORC, they are estimation only and can be subjective to individual geologists to some degree.</li> </ul>
<i>Sub-sampling techniques &amp; sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn &amp; whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc. &amp; whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality &amp; appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. All sampling techniques are described above. The nature and quality of the sampling technique was considered appropriate for the drilling technique applied and for the geochemical analysis sought.</li> <li>• As described above a cone splitter was used to split samples from the RC sample stream. The cone splitter was levelled prior to drilling and this level was checked at regular intervals throughout the drilling of each drill hole to ensure representivity of sample.</li> </ul>





Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"><li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li><li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li></ul>	<ul style="list-style-type: none"><li>• A field duplicate was taken for every metre sampled and both duplicate and original sample were checked in an approximate manner for weight/size as a quick measure of sample representivity and thus if the cone splitter was working adequately.</li><li>• Field duplicates were introduced into the geochemical sample submission at approximately 1 in 20 samples or 5% of the sample stream.</li><li>• Prior to analysis, samples were split into those that needed to be composited and those that did not, the latter generally being those zones of geological interest or zones of potential mineralisation.</li><li>• All compositing was completed in the laboratory by laboratory controlled riffle splitters normally used for splitting samples after crushing. It is the experience of the geologist that a lab controlled environment produces a far more representative split of each metre sample than what can be achieved in the field by hand.</li><li>• Where intervals were composited, the compositing represents 4 m of 1 m RC samples, except at the end of the interval where the 'left-over' could represent 2 or 3 m of 1 m RC samples.</li><li>• Blanks and laboratory-introduced geochemical standards focussed on gold were introduced into the sample stream at the rate of 1 in 20 or 5% or at smaller intervals.</li><li>• At the lab, samples were crushed to a nominal 2mm using a jaw crusher before being split using a rotary splitter into 400-700g samples for pulverising.</li><li>• Samples were pulverised to a nominal &gt;90% passing 75 micron for which a 100g sample was then selected for analysis. A spatula was used to sample from the pulverised sample for digestion.</li><li>• The Bureau Veritas geochemical laboratories in Perth use their own internal standards and blanks as well as flushing and cleaning methods accredited by international standards.</li></ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Sample sizes and splits are considered appropriate to the grain size of the material being sampled as according to the Gi standard formulas.</li> </ul>
<i>Quality of assay data &amp; laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality &amp; appropriateness of the assaying &amp; laboratory procedures used &amp; whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make &amp; model, reading times, calibrations factors applied &amp; their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) &amp; whether acceptable levels of accuracy (i.e. lack of bias) &amp; precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geochemical analyses performed consisted of a four acid digestion and/or peroxide fusion before Inductively Coupled Plasma Mass Spectrometer (ICPMS) or Inductively Coupled Plasma Atomic Emission Spectrometer (ICPAES). This technique is considered a total analysis.</li> <li>All standards, blanks and field duplicate procedures are described above.</li> <li>Acceptable levels of accuracy for the data have been achieved. For instance, the total error for Au concentrations above 10x detection limit was +15.4% to -14.5% (mean difference). This is considered within expectations for geochemical sampling of RC drilling and shows no significant bias towards the positive or negative.</li> </ul>
<i>Verification of sampling &amp; assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical &amp; electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Verification of significant intersections as shown by the results of geochemical analyses has been made via employees of Sultan Resources internally.</li> <li>There were no dedicated twinned holes in this drilling program.</li> <li>All geological and geochemical data has been checked by both Sultan Resources employees and Zephyr Professional Pty Ltd consultants. All geological and drilling data has been entered into a Sultan Resources Access database.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>Accuracy &amp; quality of surveys used to locate drill holes (collar &amp; down-hole surveys), trenches, mine workings &amp; other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality &amp; adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>All collar locations presented were finalised using a hand-held differential GPS (DGPS) with base station (currently an Austech ProMark500 and ProFlex500). Accuracy of the DGPS is approximately to 100mm in the vertical and 50mm on the horizontal.</li> <li>MGA94, Zone 50</li> <li>Elevation were in AHD (MGA94, Zone 50)</li> </ul>
<i>Data spacing &amp; distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drilling has been for exploration only, spacing varies between targets.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether the data spacing &amp; distribution is sufficient to establish the degree of geological &amp; grade continuity appropriate for the Mineral Resource &amp; Ore Reserve estimation procedure(s) &amp; classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures &amp; the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation &amp; the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed &amp; reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill angle details are given in the text and tables of the ASX announcement. Orientation was determined according to the expected orientation of the exploration target.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>All geochemical samples were selected by geologists in the field and sent directly to the laboratory from the field via a delivery truck, packaged in bulkier bags. Results of geochemical analysis were sent directly to the project geologist for entering into the Access database and for analysis.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques &amp; data.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement &amp; land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location &amp; ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park &amp; environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Lake Grace Project lies in the eastern wheatbelt, approximately 250km east-southeast of Perth. The Project comprises five Exploration Licences (70/5081, 70/5082, 70/5085, 70/5095 and 70/5179) covering an area of approximately 690km<sup>2</sup> over or near the prospective Yandina Shear Zone which is known to host gold mineralisation elsewhere in the Southwest Terrane. All licences are held 100% by Sultan Resources The Lake Grace tenements are subject to Native Title Claim by the Ballardong People (WAD6181/1998). The North Tarin Rock Nature Reserve has a trivial impact the western margin E70/5081.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment &amp; appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>Previous exploration over the Lake Grace applications has been limited. Work reported was generally generative in nature and at a reconnaissance level. The most detailed exploration was undertaken by North Ltd during the 1990's and is considered to have been performed to a high standard.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting &amp; style of mineralisation.</i></li> </ul>	<p>The Project lies in the Lake Grace Domain of the Southwest Terrane. It is comprised of granulite facies granitic gneisses, gneissic remnants of greenstone belts, charnockitic granites and post-tectonic granites. The greenstone rock sequences are metamorphosed to high-grade upper amphibolite to granulite facies. Structurally-controlled gold mineralisation occurs broadly as multiple, well-defined stacked elongate to ellipsoidal lodes that vary in size from 1-10 m thick, 50-150 m wide (east-west) and 50-200 m long (north-south) that have undergone post-mineralisation deformation. The gneissic package dips between 35° to 40° to the southeast and strikes 040°. The host rocks form an open synform that plunges 30° toward 120°.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>Easting &amp; northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip &amp; azimuth of the hole</i></li> <li><i>down hole length &amp; interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material &amp; this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>A table of the Recent RC drill hole collar details is included in Appendix 1.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades)&amp;cut-off grades are usually Material &amp; should be stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Tables of significant intervals have been cited in the text of the document. Significant Intervals have been calculated using a &gt;0.1g/t cut-off, with no more</li> </ul>





Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results &amp; longer lengths of low grade results, the procedure used for such aggregation should be stated &amp; some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>than 2m of internal dilution. No weighting was required because all samples were from 1m intervals.</p>
Relationship between mineralisation widths & intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known &amp; only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>No true widths have been stated in this ASX release, all relate to downhole intercept lengths.</li> <li>The main zones of mineralisation are interpreted to be shallow-dipping to the northwest, and drill holes were either drilled at steep angles to the southwest, or vertical.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps &amp; sections (with scales) &amp; tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations &amp; appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See drill hole location map accompanying this ASX release.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low &amp; high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Only observations are reported, see data details above for further information</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful &amp; material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size &amp; method of treatment; metallurgical test results; bulk density, groundwater, geotechnical &amp; rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p>8,996 line-km of airborne magnetic and radiometric data have been acquired over the Lake Grace and Kulin Hill project areas and are referred to in this document. Specifics of the survey include:</p> <ul style="list-style-type: none"> <li>GSWA Registration Number R71465</li> <li>Contractor: MagSpec Airborne Surveys</li> <li>Aircraft: Cessna 206 VH-HIS</li> <li>Acquisition Date: December 2018</li> <li>Flight Line Spacing 100 m</li> <li>Flight Line Direction 090 – 270 degrees</li> <li>Sensor Elevation 40 m AGL</li> <li>Magnetics G-823 Caesium Vapour Magnetometer</li> <li>Sample Rate: 0.05 seconds</li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"><li>• Resolution: 0.001 nT</li><li>• Radiometrics            Radiation Solutions RS-500</li><li>• Crystal Volume Down: 32 L</li><li>• Channels: 1024</li><li>• Sample Rate: 0.5 seconds</li></ul>
<i>Further work</i>	<ul style="list-style-type: none"><li>• <i>The nature &amp; scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li><li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations &amp; future drilling areas, provided this information is not commercially sensitive.</i></li></ul>	<ul style="list-style-type: none"><li>• The focus on future work will be to further define the extents of gold mineralisation and to also search for higher-grade zones within the extents of the mineralised area. Techniques such as detailed ground geophysics and further drilling will be used to achieve this.</li></ul>