

ASX ANNOUNCEMENT

17th February 2020

RC DRILL PROGRAM TESTING GRAVITY TARGETS COMPLETED AT LAKE GRACE PROJECT

Sultan Resources Ltd

ACN: 623 652 522

CORPORATE DETAILS

ASX Code: SLZ

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Highlights

- **Reverse Circulation drilling programme targeting gravity models at the Lake Grace Gold Project complete**
- **5 holes for 991m completed at the Challenger Gold Prospect**
- **Very thick intervals of sulphide and quartz-rich mafic rocks intersected in every hole**
- **Similar rock-types host gold mineralisation at nearby gold deposits**

The Board of Sultan Resources Ltd (**Sultan** or the **Company**) is pleased to inform shareholders that the Reverse Circulation ('RC') drilling program targeting recently defined gravity anomalies at the Challenger Gold Prospect in the company's Lake Grace portfolio is complete¹.

Drilling Program

The Company completed 5 RC holes for 991m targeting peak gravity anomalies in positions down dip of the Challenger gold mineralisation discovered by the Company in 2019².

The drill program was designed to test the outstanding anomalies revealed by the Company's recent ground gravity survey at Lake Grace². The prominent anomaly that surrounds and lies down dip of the extensive near-surface gold mineralization defined by Sultan and previous explorers^{2,3} at Challenger was the focus of the five-hole program. Three-dimensional inversion modelling undertaken on the gravity data showed peak density bodies that appear geophysically similar to the sulphidic mafic gneiss that hosts the bulk of gold mineralisation at the nearby Tampia deposit⁴. Drilling by Sultan in 2019 intersected sulphide-banded mafic gneiss hosting gold mineralization dipping shallowly towards the gravity anomalies defined by the ground gravity survey².



Figure 1: RC chips of sulphide and quartz-rich mafic rocks from hole 20SLGR17



All drill holes intersected very thick down-hole intervals (up to at least 191m) of mafic material displaying persistent zones of disseminated sulphides and numerous intervals of granular quartz-rich bands often displaying sulphidic margins with the mafic rocks. Rock types displaying these characteristics have been noted to be associated with gold mineralization in previous holes at Challenger² as well as at the nearby Tampia⁴ and Katanning⁵ gold deposits. The intervals of high-density mafic rocks intersected in the program are much thicker than those defined by all previous drilling at Challenger and explain the prominent gravity anomalies revealed in the recent gravity survey¹.

Managing Director, Steve Groves, commented: *“The gravity survey has proved very effective in outlining hugely thick bodies of mafic rocks at Challenger. The fact that these mafic bodies are consistently sulphidic and contain regular quartz intervals is very encouraging given the association of these features with gold mineralization in our previous drilling and elsewhere in the southwest Yilgarn. We will await the assay results with great anticipation.”*

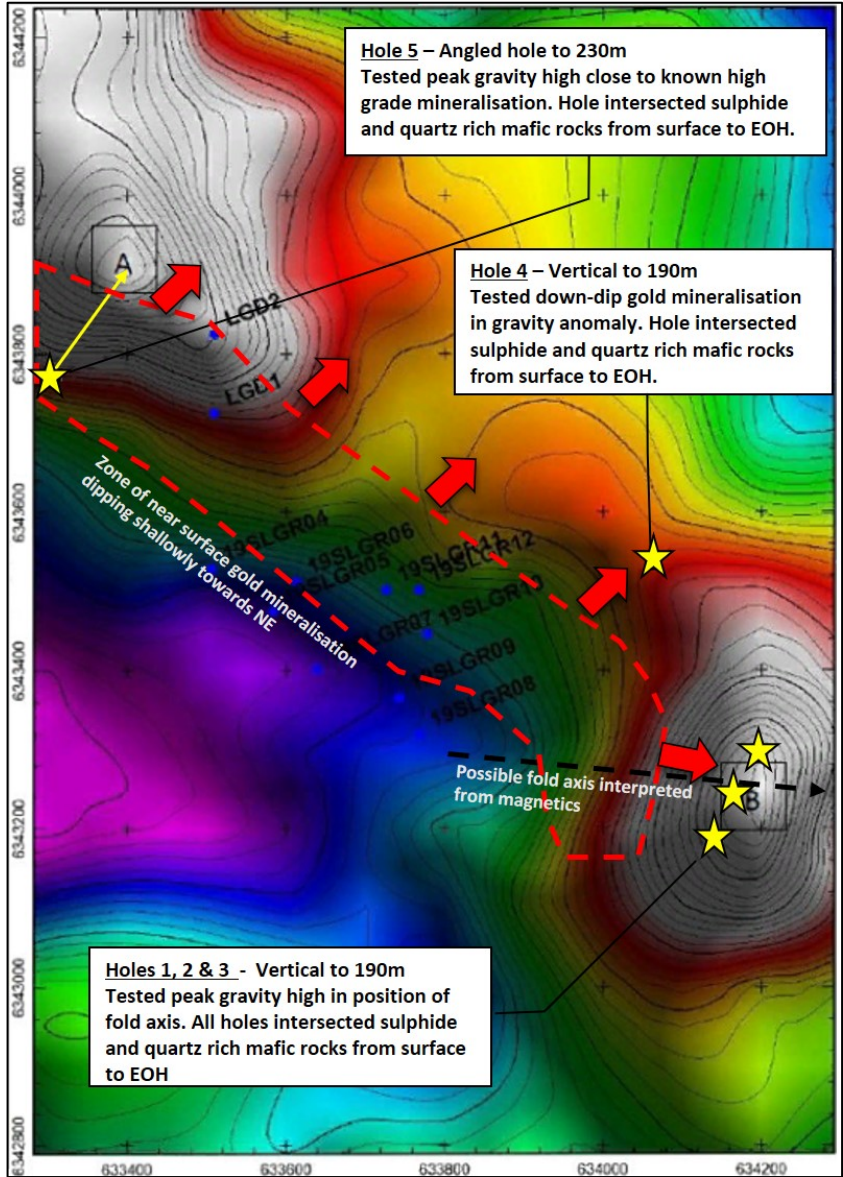


Figure 2: Plan view of the completed drill holes (yellow stars) in relation to the peak gravity anomalies (A and B) and Sultan's previous drilling (blue dots). The red dashed outline indicates the extent of +0.1g/t Au gold mineralization close to surface and in deeper drill holes. Brief hole descriptions included in text boxes.



Figure 3: RC drilling at the Challenger Prospect, Lake Grace

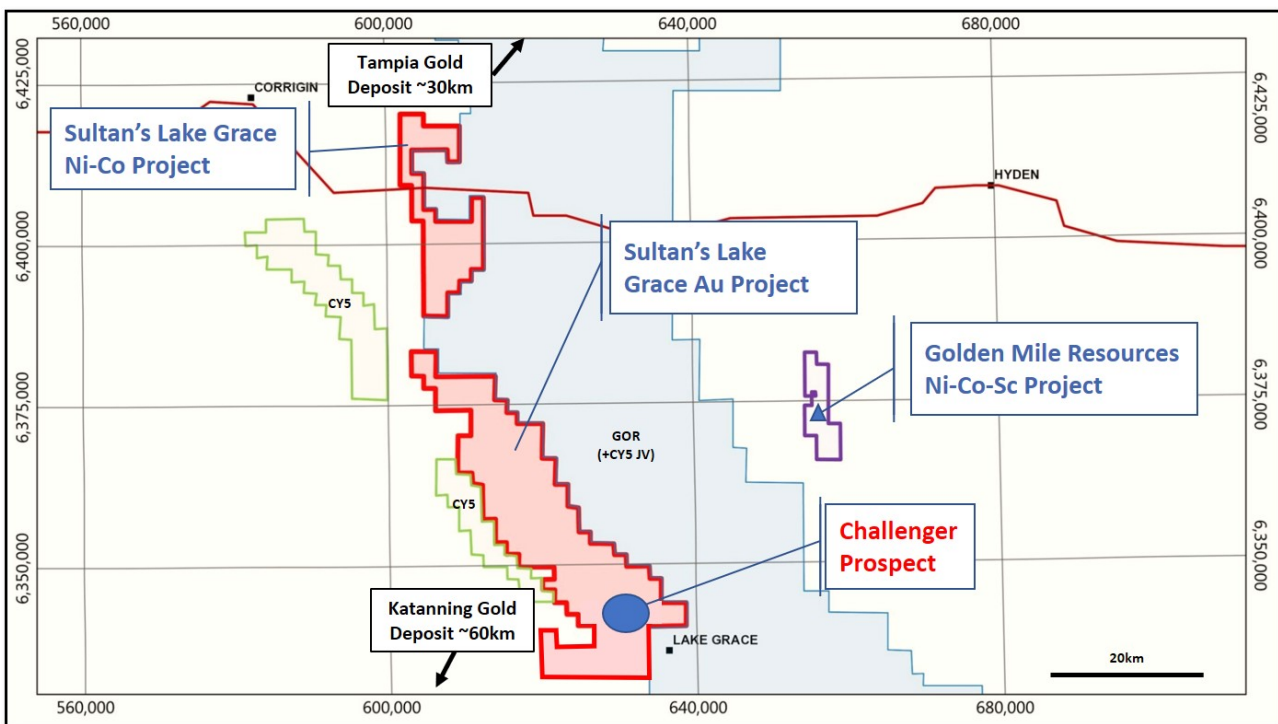


Figure 4: Sultan's Lake Grace Project showing the location of the Challenge Prospect (blue dot)

Samples from all holes will be analysed at an independent laboratory for gold content during February. Results will be presented to the market as they come to hand.



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Authorised for released by the Board of Sultan Resources Limited.

References:

- 1 Sultan Resources – ASX Release: *“Drill Program Approved to test anomalies at Lake Grace”* 21/01/2020
- 2 Sultan Resources – ASX Release: *“First Gold Assay Results”* 16/05/2019
- 3 North Limited - Public Company Report A45226: *“Final Report on Exploration Licences E70/1367 & E70/1368”* August 1995
- 4 Explaurum Limited – Company Presentation: *“Unlocking Wheatbelt Gold”*, 03/08/2018
- 5 Ausgold Limited – ASX Release: *“Katanning Gold Project Resource expanded to 1.04 million ounces”* 26/11/2018

Competent Persons Statement

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

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: Details of recently drilled Reverse Circulation Holes**

Hole ID	East MGA94	North MGA94	Depth (m)	Dip	Azimuth	Comment
20SLGR013	634200	6343290	191	-90	0	
20SLGR014	634170	6343240	190	-90	0	
20SLGR015	634145	6343185	190	-90	0	
20SLGR016	634064	6343533	190	-90	0	
20SLGR017	633310	6343772	230	-55	40	Hole stopped due to excessive water and extremely slow drilling rate