



# **Sultan Resources Limited**

## **ACN 623 652 522**

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

**1 May 2020**

**10.00am WST**

Mirador Corporate  
Suite 2, Level 1,  
1 Altona Street  
West Perth, WA

This Notice of 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.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6559 1792.

**Legal Advisor**

**NOVA**LEGAL  
CORPORATE LAWYERS

# NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Sultan Resources Limited (**Company**) will be held at the offices of Mirador Corporate, Suite 2, Level 1, 1 Altona Street, West Perth on 1 May 2020 commencing at 10:00am (WST).

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 on 29 April 2020 at 05:00pm (WST).

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

## AGENDA

### 1. Resolution 1 – Issue of Vendor Consideration Shares

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

#### **Voting Exclusion**

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

- (a) the Vendors (being a person (or persons) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of the Vendors.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 2. Resolution 2 – Issue of Facilitation of Shares

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

*“That, subject to and conditional upon the passing of Resolution 1, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion**

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

- (a) the Facilitators (and/or their nominees) (being a person (or persons) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of the Facilitators (and/or their nominees).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 30 March 2020

**BY ORDER OF THE BOARD**



**Mauro Piccini**  
Company Secretary

# 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 Mirador Corporate, Suite 2, Level 1, 1 Altona Street, West Perth on 1 May 2020 at 10:00am (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) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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.

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

## 3. The Acquisition

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### 3.1 Background to Acquisition

On 18 March 2020, the Company entered into a binding term sheet (**Term Sheet**) with the Colossus Metals Pty Ltd (**Colossus Metals**) and its shareholders (**Vendors**) in respect of the proposed acquisition of Colossus Metals for the purpose of acquiring projects in central New South Wales (**Projects**).

Pursuant to the Term Sheet, the Company will acquire the Projects, via the acquisition of 100% of the issued capital of Colossus Metals from the Vendors (**Acquisition**). The material terms of the Term Sheet are set out in Section 3.3 below.

The Projects comprises of granted exploration licences EL8735, EL8734 and EL8704 which cumulative cover approximately 330km<sup>2</sup>. The Projects are considered to be prospective for both:

- (a) gold-rich, alkali, gold-copper porphyry (cadia style) mineralisation; and
- (b) paleo-placer gold mineralisation.

Further details regarding the Projects are set out in the Company's announcement dated 18 March 2020.

### **3.2 Details of the Vendors**

The Vendors are the legal owners of 100% of the issued capital in Colossus Metals. Details of the Vendors are set out in Schedule 2.

The Vendors, Colossus Metals (and its director) are not related parties of the Company.

### **3.3 Terms of the Acquisition**

The material terms and conditions of the Acquisition, pursuant to the Term Sheet, are set out below:

#### **(a) Consideration**

The consideration payable under the Term Sheet is as follows:

- (i) a \$50,000 non-refundable exclusivity fee, which the Company paid to Colossus Metals upon entering into the Term Sheet;
- (ii) \$100,000 cash consideration for the Acquisition, payable to the Vendors in proportions equal to their holdings in Colossus Metals, at the settlement of the Acquisition; and
- (iii) ten million (10,000,000) Shares in the Company (being the subject of Resolution 1) (**Consideration Shares**) at a deemed issue price of \$0.75 payable to the Vendors in proportions equal to their holdings in Colossus Metals, at the settlement of the Acquisition. These Consideration Shares will be subject to 6 months voluntary escrow from the date of execution of the Term Sheet.

#### **(b) General**

The Term Sheet also contains the following additional material terms and conditions:

- (i) Settlement of the Acquisition is subject to and conditional upon the satisfaction of a number of conditions precedent including the following:
  - (A) the Company's satisfactory completion of due diligence within 14 days of execution of the Term Sheet;
  - (B) the Vendor and Colossus Metals providing the Company with NSW Government Department of Planning and Environment's written confirmation that not less than 50% of each of the Projects' tenements

areas have been granted to Colossus Metals as renewed (without unusual and materially adverse conditions), and, the renewed area includes all the areas that are “prospective areas” as specified between the Vendors and the Company;

- (C) the Company and Colossus Metals obtaining all necessary shareholder and regulatory approvals, and any necessary third party/governmental approvals in relation to the Acquisition of the Project (including but not limited to approval under Listing Rule 7.1);
  - (D) the Company and Vendors provide the Company with evidence that Colossus Metals be free of debt and liabilities.
- (ii) The Company is responsible for maintaining the Projects on and from entry into the Term Sheet.
  - (iii) The Vendors will be granted a 2% net smelter royalty in relation to the Projects.
  - (iv) The Term Sheet contains additional provisions considered standard for an agreement of this type, including but not limited to warranties and representations from each party.
  - (v) The composition of the Board will not be changed as a result of the Acquisition.

### **3.4 Dilutionary Effect**

In the event that Resolutions 1 and 2 are passed, the Company's Share capital will be increased by up to 11,000,000 Shares, from 47,625,300 to 58,625,300 Shares, resulting in a dilution to existing shareholders of up to 18.76%.

## **4. Resolution 1 – Issue of Vendor Consideration Shares**

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### **4.1 General**

The Company has entered into the Term Sheet described above in Section 3 and Resolution 1 seeks Shareholder approval for the issue of ten million (10,000,000) Consideration Shares to the Vendors.

The Consideration Shares are fully paid ordinary shares issued as part consideration for the Company's acquisition of the Projects, via Colossus Metals pursuant to the Term Sheet.

### **4.2 ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Consideration Shares (**Consideration Shares Issue**) does not fit within any of these exceptions. While the Consideration Shares Issue does not exceed the 15% limited in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the Consideration Shares Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 1 seeks approval to issue the Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 1 **is** passed, the Consideration Shares Issue can proceed without using up any of the Company's 15% limit on issuing Equity Securities without approval set out in Listing Rule 7.1.

If Resolution 1 **is not** passed, the Company will not be able to proceed with the Acquisition and the Company will not acquire the Projects.

#### **4.3 Technical information required by ASX listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Consideration Shares:

- (a) the Consideration Shares will be issued to the Vendors, who are not related parties of the Company (refer to section 3.2 for further details, and identity of the Vendors in Schedule 2);
- (b) ten million (10,000,000) Consideration Shares will be issued, which are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the of Consideration Shares will occur in one tranche on the date of Settlement of the Acquisition;
- (d) the deemed issue price of the Consideration Shares is \$0.075 per Share, however the Consideration Shares will be issued for nil cash consideration as they are issued for part consideration in respect of the Company's acquisition of Colossus Metals;
- (e) the Consideration Shares are to be issued for the purpose of part consideration for the Company's acquisition of Colossus Metals;
- (f) the material terms of the Term Sheet under which the Consideration Shares are issued are set out in Section 3.3; and
- (g) a voting exclusion statement is set out in the Notice.

## **5. Resolution 2 – Issue of Facilitation Shares**

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### **5.1 General**

The Company has entered into the Term Sheet described in Section 3 above, and as part of the Acquisition, has agreed to issue one million (1,000,000) Facilitation Shares to Xcel Capital and Arq Capital (and/or their nominees) for their services in facilitating the Acquisition (**Facilitation Shares**).

The Facilitation Shares are fully paid ordinary shares in the Company to be issued in consideration for the Facilitators services in identifying the Projects for acquisition, consideration of the Projects as a commercial opportunity for the Company and for assisting the Company to negotiate the terms of the Acquisition.

The Facilitation Fees were assessed by the Company through a consideration of the quality of the Projects in particular the region that the Projects are located in and the fact that the fees are non-cash and success based.

## 5.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 3.5 above.

The issue of the Facilitation Shares (**Facilitation Shares Issue**) does not fit within any of these exceptions. While the Facilitation Shares Issue does not exceed the 15% limited in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the Facilitation Shares Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 2 seeks approval to issue the Facilitation Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 **is** passed, the Facilitation Shares Issue can proceed without using up any of the Company's 15% limit on issuing Equity Securities without approval set out in Listing Rule 7.1.

If either Resolution 1 or 2 **is not** passed, the Company will not be able to proceed with the Acquisition and the Company will not acquire the Projects.

## 5.3 Technical information required by ASX listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Facilitation Shares:

- (a) the Facilitation Shares will be issued to the Facilitators (and/ or their nominees), being:
  - (i) Xcel Capital; and
  - (ii) Arq Capital,neither of which are related parties of the Company;
- (b) the number of Facilitation Shares to be issued is total of one million (1,000,000) Shares, issued to the Facilitators on the following basis:
  - (i) 500,000 Facilitation Shares to Xcel Capital(and/ or their nominees); and
  - (ii) 500,000 Facilitation Shares to Arq Capital (and/ or their nominees),
- (c) the Facilitation Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the of Facilitation Shares will occur in one tranche on the date of Settlement of the Acquisition;
- (d) the deemed issue price of the Facilitation Shares is \$0.075 per Share, however the Facilitation Shares will be issued for nil cash consideration as they are issued in consideration for the Facilitators services in identifying the Projects for acquisition, consideration of the Projects as a commercial opportunity for the Company and for assisting the Company to negotiate the terms of the Acquisition;
- (e) the Facilitation Shares are to be issued for the purpose of consideration for services provided in assisting the Company with the Acquisition;

- (f) the material terms of the Term Sheet under which the Facilitation Shares are issued are set out in Section 3.3; and
- (g) a voting exclusion statement is set out in the Notice.

# SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**Arq Capital** means Arq Capital Pty Ltd ACN 135 397 796.

**Acquisition** has the meaning set out in Section 3.1.

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

**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** means the person appointed to chair the Meeting conveyed by this Notice.

**Colossus Metals** means Colossus Metals Pty Ltd (ACN 145 629 744).

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

**Consideration Shares** has the meaning set out in Section 3.3.

**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.

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

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

**Facilitators** means Excel Capital and Arq Capital.

**Facilitation Shares** has the meaning set out in Section 5.1.

**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.

**Projects** has the meaning set out in Section 3.1.

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

**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.

**Vendors** means the shareholders of Colossus Metals as set out in Schedule 2.

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

**Xcel Capital** means Xcel Capital Pty Ltd (ACN 617 047 319).

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

## SCHEDULE 2 – Vendors

<b>Name of Shareholder</b>	<b>No. of Shares in Colossus Metals</b>	<b>Percentage Shareholding in Colossus Metals</b>	<b>Entitlement to Consideration Shares</b>
Sallie Kairaitis	1	25%	2,500,000
Darren Glover	1	25%	2,500,000
Benjamin Harper	1	25%	2,500,000
Fleur Schell	1	25%	2,500,000
<b>Total</b>	<b>4</b>	<b>100%</b>	<b>10,000,000</b>

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 **10.00am (WST) on Wednesday, 29 April 2020**, 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.



