

ASX ANNOUNCEMENT

29 July 2020

JUNE QUARTERLY REPORT

For the period 1st April – 30th June 2020

CORPORATE DETAILS

ASX Code: SLZ

DIRECTORS

STEVE GROVES
MANAGING DIRECTOR

JEREMY KING
CHAIRMAN

DAVID LEES
NON-EXECUTIVE DIRECTOR

CONTACT

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1 Altona Street
West Perth WA 6005

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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 30th June 2020.

LACHLAN FOLD BELT PROJECT

During the quarter Sultan was pleased to finalise the acquisition of Colossus Metals Pty Ltd (Colossus) resulting in the procurement of a 100% interest in a suite of gold and copper exploration tenements located in Central New South Wales (see SLZ ASX Announcement 24/06/2020). The Company has continued exploration across this suite of highly attractive exploration assets with detailed mapping and sampling at the Big Hill, Tucklan and Ringaroo porphyry/epithermal gold and copper targets.

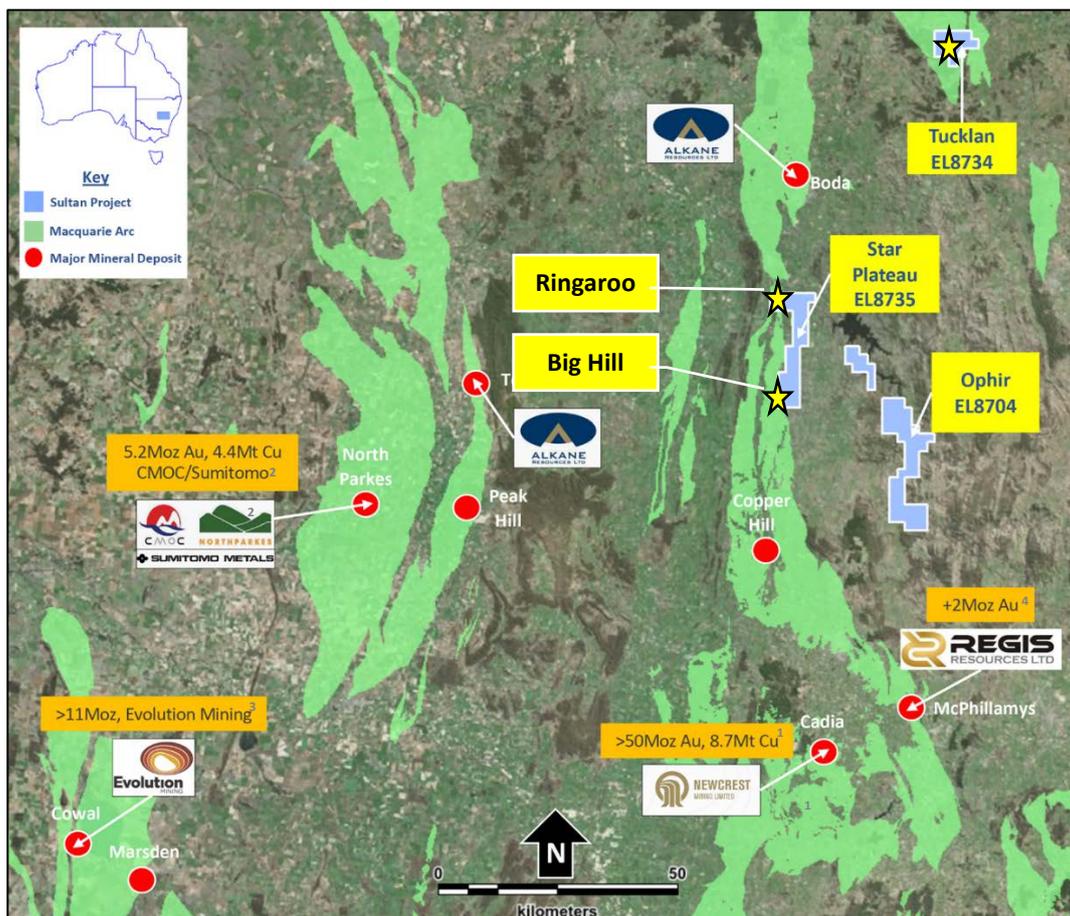


Figure 1: Sultan tenements in relation to World Class operating mines of the East Lachlan Fold Belt, and the recent Boda discovery



Exploration during the quarter

Ground exploration field work continued across the Big Hill and Ringaroo Porphyry Cu-Au targets (EL8735) and the Tucklan epithermal prospect (EL8734). This work included the collection of rock chip samples and comprehensive soil sampling grids. Results from Big Hill and Tucklan were received during the quarter (see *SLZ ASX Announcements 20/05/2020, 02/06/2020*) and initial results from Ringaroo were received subsequent to the quarter (see *SLZ ASX Announcement 09/07/2020*).

Big Hill - Gowan Green Results

Soil sampling over the western flank of a 6km long magnetic feature at Big Hill defined a series of gold and copper anomalies with classic porphyry geochemical pathfinder signatures coincident with copper and gold mineralised rock chip samples and discrete magnetic highs, confirming large scale targets (see *SLZ ASX Announcement 20/05/2020*). This work has identified two distinct target areas at Big Hill: Gowan Green and Big Hill.

Lying immediately to the north of Big Hill, the **Gowan Green** prospect is centred upon a subtle historic gold and copper working showing gossanous malachite-azurite veined, propylitically altered (epidote-chlorite-carbonate-albite) mafic volcanic rocks in mullock heaps overlying a subtle magnetic high anomaly. Rock samples of this material returned during the quarter showed spectacular results, including:

Table 1: Significant results from the Gowan Green rock samples

Sample ID	Au g/t	Cu %	Ag g/t	Sample Type
SPR020	24.6	26.1	65.5	Mullock
SPR021	2.69	7.55	20.0	Mullock
SPR022	0.51	4.49	7.7	Mullock
SPR023	0.35	5.96	11.7	Mullock
SPR024	0.94	5.71	21.6	Mullock
SPR025	0.04	10.1	7.9	Mullock
SPR026	1.16	12.55	24.8	Mullock

The high grade Au-Cu rock chip samples validate a newly defined large (>1.5km x >0.10km), low level Au-Cu + pathfinder soil geochemical anomaly associated with a discrete magnetic high (~300m diameter) anomaly and NE-SW structural corridor (Figure 2). Limestone stratigraphy, possibly forming a cap-rock displays numerous small zones of possible skarn mapped intermittently over a ~600m x ~300m area.

The **Big Hill** target is marked by a large, high amplitude ovoid shaped magnetic high complex traversed by north-west striking structures. Mapping and soil geochemistry have defined a 2.2km x 0.4km target area containing epidote-veined, pervasive propylitic (epidote) altered, feldspar – pyroxene porphyry with significant disseminated & veined native copper and malachite. Rock samples of this material have returned:

Table 2: Significant results from the Big Hill rock samples

Sample ID	Cu %	Sample_Type
SPR004	1.30	Float
SPR005	2.40	Float
SPR006	0.17	Float



SPR014	2.21	Float
SPR015	2.50	Float

The pathfinder geochemical signature is associated with localized disseminated pyrite in ‘green rock’ (chlorite-epidote-albite-actinolite-sericite-hematite-carbonate-prehnite-pyrite-magnetite) altered basaltic andesite volcanoclastic breccias. The identification of localized style sodic alteration, hematite-albite alteration (‘reddening’), disseminated pyrite associated with ‘green rock’ alteration and the distinct pathfinder geochemical signature is consistent with upper or outer parts of an alkalic porphyry Au-Cu system such as the high grade Cadia-Ridgeway porphyry Au-Cu mine 50km to the south, and the Boda discovery approximately 50kms to the north.

These prospects are untested by drilling and open to the east. Follow up exploration, including further sampling and geophysical surveying is planned, with a view to define drill targets.

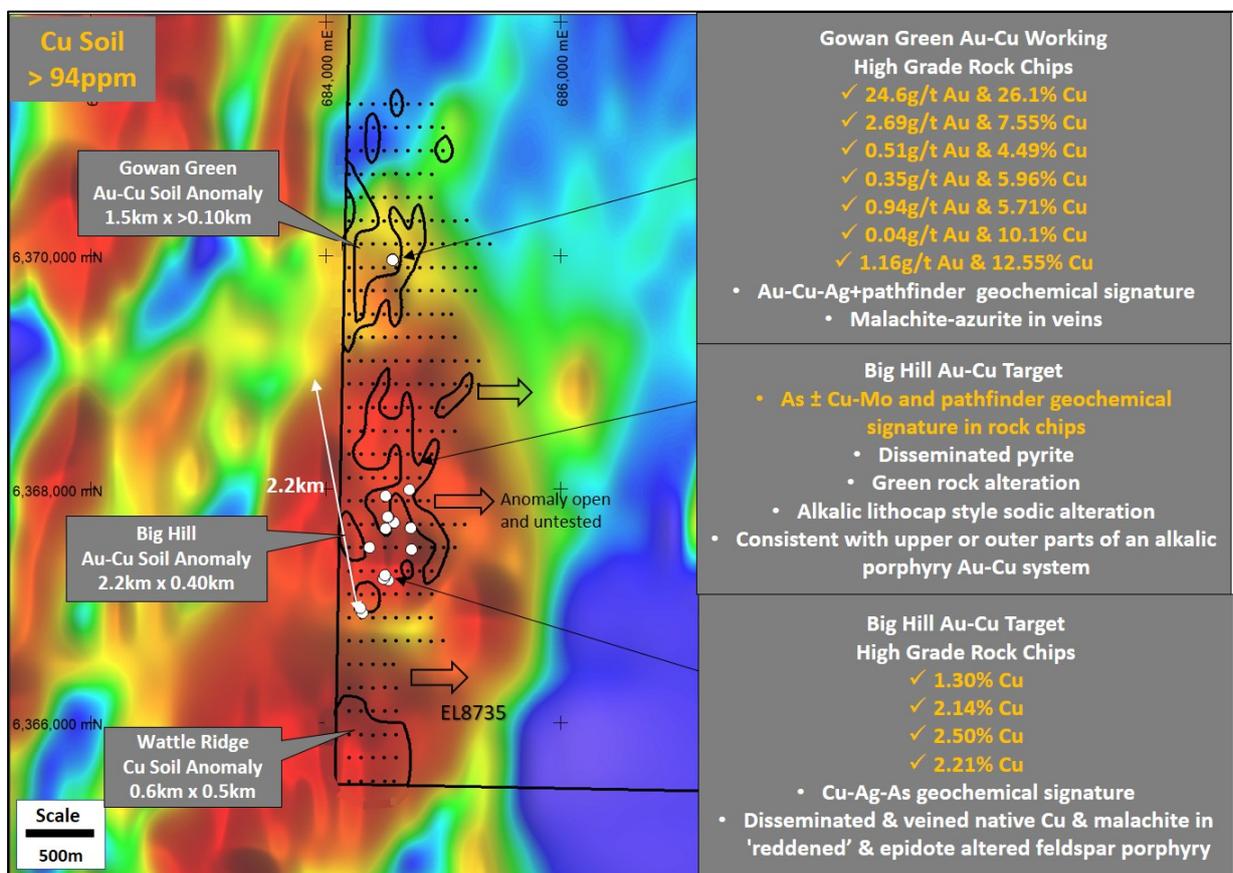


Figure 2: Copper (>94ppm Cu) Soil Contours (100m X 200m Sample Grid) at Big Hill-Gowan Green on RTP NE Shade Aeromagnetic Image overlain by the significant rock sample locations.

Tucklan Results

Geological mapping, soil and rock chip sampling during the quarter targeted a prominent magnetic feature coincident with a strong potassium radiometric anomaly and a line of historic gold workings (see SLZ ASX Announcement 02/06/2020). Soil sampling across a 100m x 100m grid defined a 1.5km x 0.30km, NW-SE striking, coherent gold in soil geochemical anomaly showing gold values consistently greater than 7.2ppb Au. A higher grade 700m x 300m Au soil anomaly ‘core’ was evident with values up to 613ppb Au in soil returned. The gold in soil anomaly remains open to the southeast (Figure 3).



Semi-coincident with the gold in soil anomaly is a series of zoned pathfinder soil geochemical anomalies that are indicative of a large scale, zoned hydrothermal gold system. Complex metal zonation includes Au-As-Sb-Hg-Ba-Ag-Se-Te in the southeast, Au-W-Ag-Cd-Pb ±Hg-Ba-Te-Se in the northwest, Au-Pb-Cd-Ag-Tl in the east and a well-defined arcuate Cu-Zn-Co zone across the centre.

Historical gold workings are associated with the gold in soil anomaly and include numerous prospecting pits and a shallow shaft and adit. These form part of the under-explored and extensive historic Tucklan Goldfield. The large-scale gold and pathfinder surface geochemical anomaly is spatially associated with a 3.5km x 2.5km magnetic high complex (Figure 3) and 1.8km x 0.5km NW-SE striking potassium radiometric anomaly.

First pass rock chip sampling on the margins of the gold and pathfinder soil anomaly confirmed the presence of strongly anomalous gold and pathfinder elements such as As-W-Tl-Ba-K-S ±Ag-Cu-Mo. Significant gold rock chip results in pervasively altered volcanic rocks include 1.11g/t Au, 0.25g/t Au, 0.14g/t Au, 0.48g/t Au, 0.27g/t Au and support the strong prospectivity of the Tucklan Project.

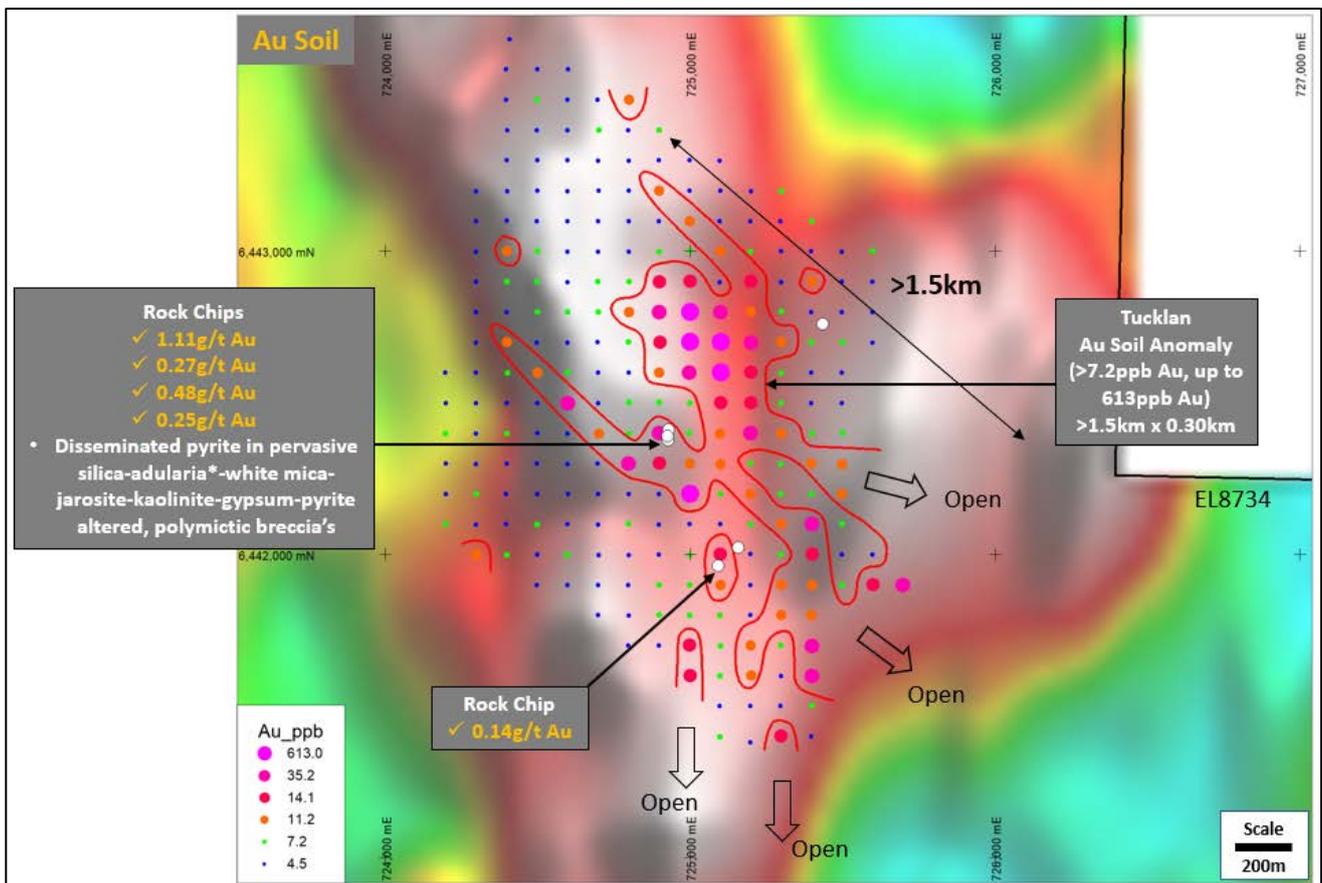


Figure 3: Progressive Half Ranked Variable Gold Soil Map (100m X 100m Sample Grid) on RTP Aeromagnetic Image.



WA PROJECTS

Lake Grace

During the March quarter Sultan completed 5 RC holes for 991m targeting peak gravity anomalies in positions down dip and along strike of the Challenger gold mineralisation discovered by the Company in 2019 (see SLZ ASX Announcement 17/02/2020). During April, the Company received all 4m-composite assay results for the drilling completed at Lake Grace during February (see SLZ ASX Announcements 15/04/2020, Quarterly Report 30/04/2020). The results showed a number of significant gold-mineralised intervals that are similar in thickness and tenor to those revealed in the initial drilling campaign by Sultan in 2019.

Significant intersections include:

Hole ID	From (m)	To(m)	Interval (m)	Gold Grade g/t
20SLGR13	175	179	4	0.16
20SLGR15	59	63	4	0.19
20SLGR16	44	48	4	0.12
	116	120	4	0.15
	131	134	3	0.17
	147	159	12	0.14
20SLGR17	34	50	16	0.27
	incl. 34	38	4	0.55
	58	76	18	0.42
	incl. 58	62	4	1.06*
	88	92	4	0.22
	126	129	3	0.37
	192	200	8	0.16

Table 3: Table of significant intersections of 4m composite assays from the recent RC drill program. Intervals have been calculated using a >0.1g/t cut-off, with no more than 4m of internal dilution. All intercept thicknesses are down-hole thicknesses.

The results of this drilling program have confirmed that gold mineralising processes have occurred on a significant scale at Challenger. The drilling has defined thick zones of gold-anomalous mafic rocks and has extended the strike of the higher-grade zone, where thick intervals of mineralization over 0.5g/t occur, to over 600m. Within these intervals, bands spanning 1 to 4m in excess of 1g/t Au are commonly intersected. These bedrock gold intersections correlate with the shallower historic aircore anomalism to define a huge volume of gold-mineralised mafic rocks with a shallow dip towards the northeast that remains open, and untested, in all directions.

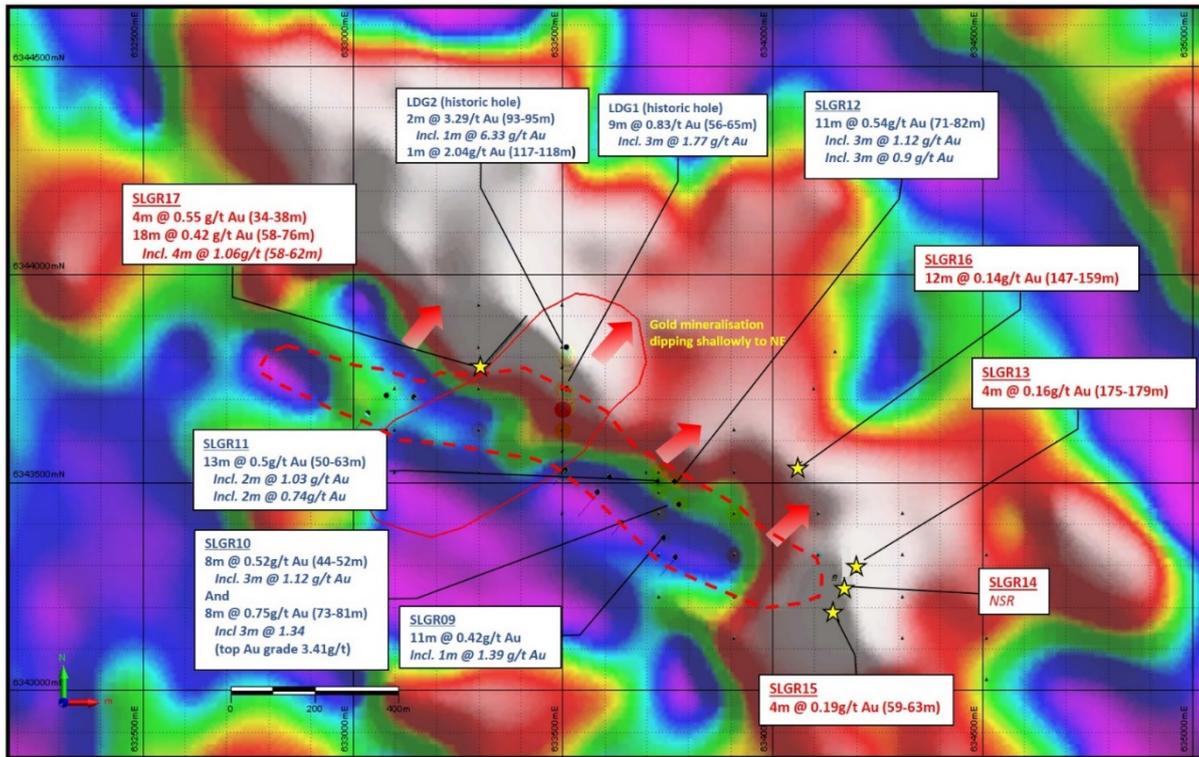


Figure 3. Plan view of the Challenger Prospect showing significant intersections (red text boxes) of the recent RC drill program (yellow stars). The highlights of significant intercepts from recent5 and historic drilling1 (blue text boxes) and the large historic aircore gold anomaly (red dashed outline) are also displayed

ACTIVITIES SUBSEQUENT TO THE REPORTING PERIOD

In early July, the Company received results from the first program of soil sampling undertaken across the Ringaroo Project within the Company's Star Plateau Licence (EL8735) (see *SLZ ASX announcement 09/07/2020*). Soil sampling initially targeted a prominent N-S trending magnetic feature that is interpreted to represent a Macquarie Arc intrusive complex similar to that which hosts Alkane Resources' (ASX:ALK) Boda porphyry Au-Cu discovery some 25km to the north (see *ALK ASX Announcement 23/03/2020*). The magnetic high is at least 4.2km x 1.5km in size and hosts Impact Minerals' (ASX:IPT) recent Aspley discovery which lies 3km north of the sampled portion of Ringaroo and just over the EL8735 boundary. At Aspley, Impact have identified shoshonitic host rocks that have returned elevated copper to 8.1% and silver to 13.1g/t from surface rock samples (see *IPT ASX Announcements 14/01/2020, 23/04/2020*).

Soil Sampling

Soil sampling across a 200m x 200m grid covering a ~3km² portion of Ringaroo defined multiple anomalies including a prominent N-S trending 1.0km x 0.40km, gold and copper soil geochemical anomaly showing gold values consistently greater than 3.1ppb Au and copper values above 94ppm Cu (Figure 4). A second anomalous zone located 1km to the south east shows a narrow NE-trending anomaly with gold values greater than 4.5ppb Au and coincident copper above 94ppm Cu. Both anomalies are open in multiple directions and will be further defined as the soil sampling program expands.

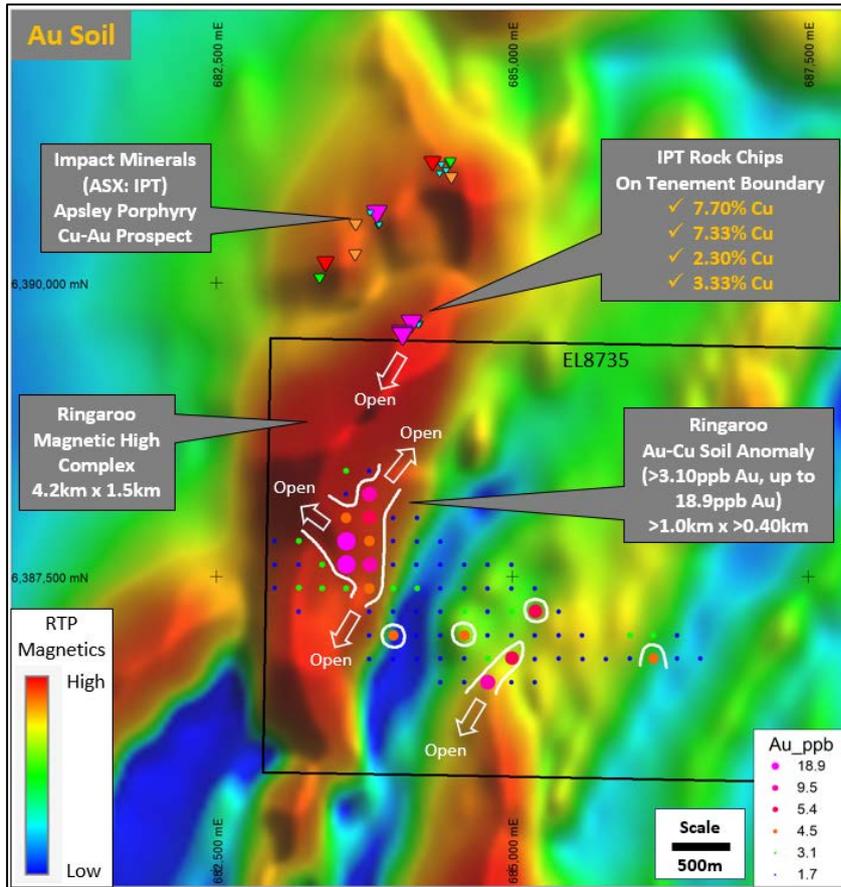


Figure 4: Ringaroo gold soil anomaly map (200m X 200m Sample Grid) on RTP Aeromagnetic Image.

OTHER PROJECTS

Thaduna

Follow up exploration of the recent gold and base-metal aircore anomalies defined late in 2018 are planned for the 2020 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.



PORTFOLIO OVERVIEW

New South Wales – Lachlan Fold Belt

The Company has 100% ownership of a 326km² portfolio of ground in Lachlan Fold Belt prospective for porphyry gold-copper, epithermal gold, placer-style gold and base metals. The portfolio lies in close proximity to a number of established and recently discovered porphyry gold and copper deposits.

Western Australia

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

CORPORATE

Sultan's cash position as at 30 June 2020 was \$2,005,594.

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Payments to Related Parties & their Associates	Total Amount
Director Fees and Superannuation	\$26,000
Company Secretarial, Registered Office and Financial Management Services	\$21,420

SCHEDULE OF TENEMENTS

Western Australia

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%	Live	28 blocks	1/6/2018	05/02/19	04/02/2024	\$28,000

New South Wales

TENEMENT	REGISTERED HOLDER	GRANT OR APPLICATION DATE	EXPIRY DATE	STATUS	AREA	ANNUAL RENTAL FEE	ANNUAL ADMIN LEVY	SECURITY REQUIRED	SECURITY HELD	MINERALS
EL 8704 (1992)	Colossus Metals Pty Ltd	5 March 2018	5 March 2023	Current	60 Units	\$3,600	\$100	\$10,000	\$10,000	Group 1
EL 8734 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2020 (Renewal sought until 16 April 2025)	Renewal Pending	16 Units	\$960	\$100	\$10,000	\$10,000	Group 1
EL 8735 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2020 (Renewal sought until 16 April 2025)	Renewal Pending	37 Units	\$2,220	\$100	\$10,000	\$10,000	Group 1
Total: 3					113 Units	\$6,780	\$300	\$30,000	\$30,000	

Note: Draft notices of the proposed decision by the Department of Resource Operations, Regional NSW – Mining, Exploration and Geoscience regarding the 100% renewal of licences EL8734 and EL8735 have been received by Sultan Resources but are yet to be finalised and updated in the Departments’ Titles Administration System

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 Competent Person is not aware of any new information or data that materially affects the information contained in the above sources or the data contained in this announcement.

References for resources referred to in Figure 1

1. Newcrest., 2019, Newcrest Investor and Analyst Presentation, ASX Announcement, 18 November 2019
2. CMOC 2019., China Molybdenum Company Limited, <http://www.cmocinternational.com/australia/>
3. Evolution., 2018, <https://evolutionmining.com.au/reservesresources/>
4. Regis Resources Ltd, <https://www.regisresources.com.au/General/reserves-and-resources.html>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sultan Resources Limited

ABN

35 623 652 522

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(3)	(3)
(b) development	-	-
(c) production	-	-
(d) staff costs	(17)	(68)
(e) administration and corporate costs	(83)	(381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	10	10
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(93)	(420)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(100)	(100)
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(127)	(527)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(227)	(637)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,326	3,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(93)	(420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(227)	(637)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
-4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,006	2,006

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,006	2,326
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,006	2,326

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(47)

Director and consulting fees to Directors and/or Director related entities \$26,000

Financial management and Company Secretary fees paid to a Director related entity \$21,420

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(93)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(127)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(224)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,006
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,006
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2020

Authorised by: The Board of Sultan Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.