



ASX ANNOUNCEMENT

24 October 2022

SEPTEMBER QUARTERLY REPORT

For the period 1st July– 30th September 2022

Sultan Resources

ACN: 623 652 522

CORPORATE DETAILS

ASX Code: SLZ

DIRECTORS

JEREMY KING
CHAIRMAN

STEVE GROVES
NON-EXECUTIVE DIRECTOR

DAVID LEES
NON-EXECUTIVE DIRECTOR

CONTACT

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Subiaco WA 6008

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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 September 2022.

WA PROJECTS

Lake Grace Nickel-Copper-PGE Project

The company spent the September quarter preparing for follow up drilling of aircore holes at the Kulin Hill nickel prospect. The PoW for the drilling was granted in late June and a rig was secured towards the end of September.

Background

During late December 2021 and early January 2022, Sultan completed an aircore drilling program across three areas at the Company’s Lake Grace Nickel Project (ASX Announcements 16/12/2021, 12/01/2022, 04/05/2022). The aircore program was designed to confirm the presence of ultramafic rocks interpreted from the magnetics and help determine the prospectivity of the region for hosting Ni-sulphide deposits.

Three of the four holes drilled at Kulin Hill showed strongly elevated responses in elements such as Ni, Cr, Mg, Fe, S and Co that are indicative of weathered ultramafic lithology (ASX Announcement 04/05/2022). All three holes showed these strong responses throughout their entire length, indicating that the sequence is quite thick and warrants deeper testing of the fresh ultramafic sequence. Microscopic examination of the holes showed the sequence to be weathered throughout and consequently did not enable the visual identification of sulphide minerals. However, high levels of coincident MgO, sulphur and nickel in intersections in the lower portions of holes SLGCA03 and SLGCA04 provide encouragement that sparsely distributed disseminated Ni-sulphides could be present.

The successful confirmation of over two kilometres of strike of a thick mafic-ultramafic sequence containing historically reported Ni-bearing sulphides at Kulin Hill has elevated the prospect to be Sultan’s priority exploration target.

Drilling Commences Subsequent to the end of the Quarter.

In early October, the Company commenced drilling a single, deep (>500m) stratigraphic diamond hole to gather information on the nature of the layered ultramafic sequence beneath the weathering horizon and assess the potential for sulphide mineralisation in the area. The hole is collared in the vicinity of the previously drilled aircore holes and is drilling at -60° towards the southeast to target a strong magnetic body within the sequence as revealed by 3D inversion modelling (Figure 3). This will be the deepest hole ever drilled at the Kulin Hill prospect and will provide the best look to date of the layered ultramafic



sequence. Previous drilling has included the aforementioned aircore holes and a series of 4 diamond holes drilled ~2km to the southeast in the 1960s. The deepest of these holes reached ~265m.

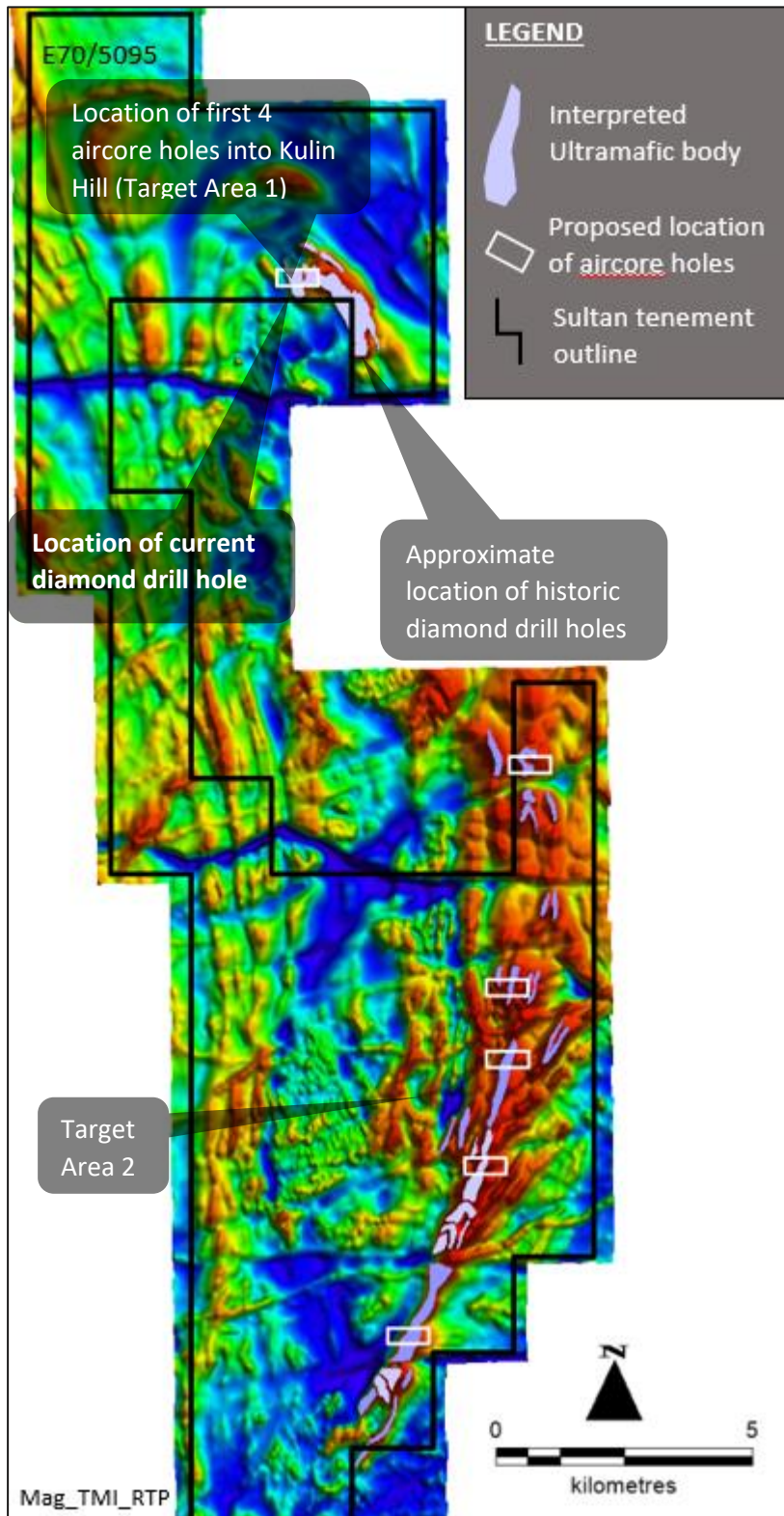


Figure 1: Location of the interpreted ultramafic bodies (purple) and positions of potential aircore traverses over the Total Magnetic Intensity reduced to pole image over E70/5095.

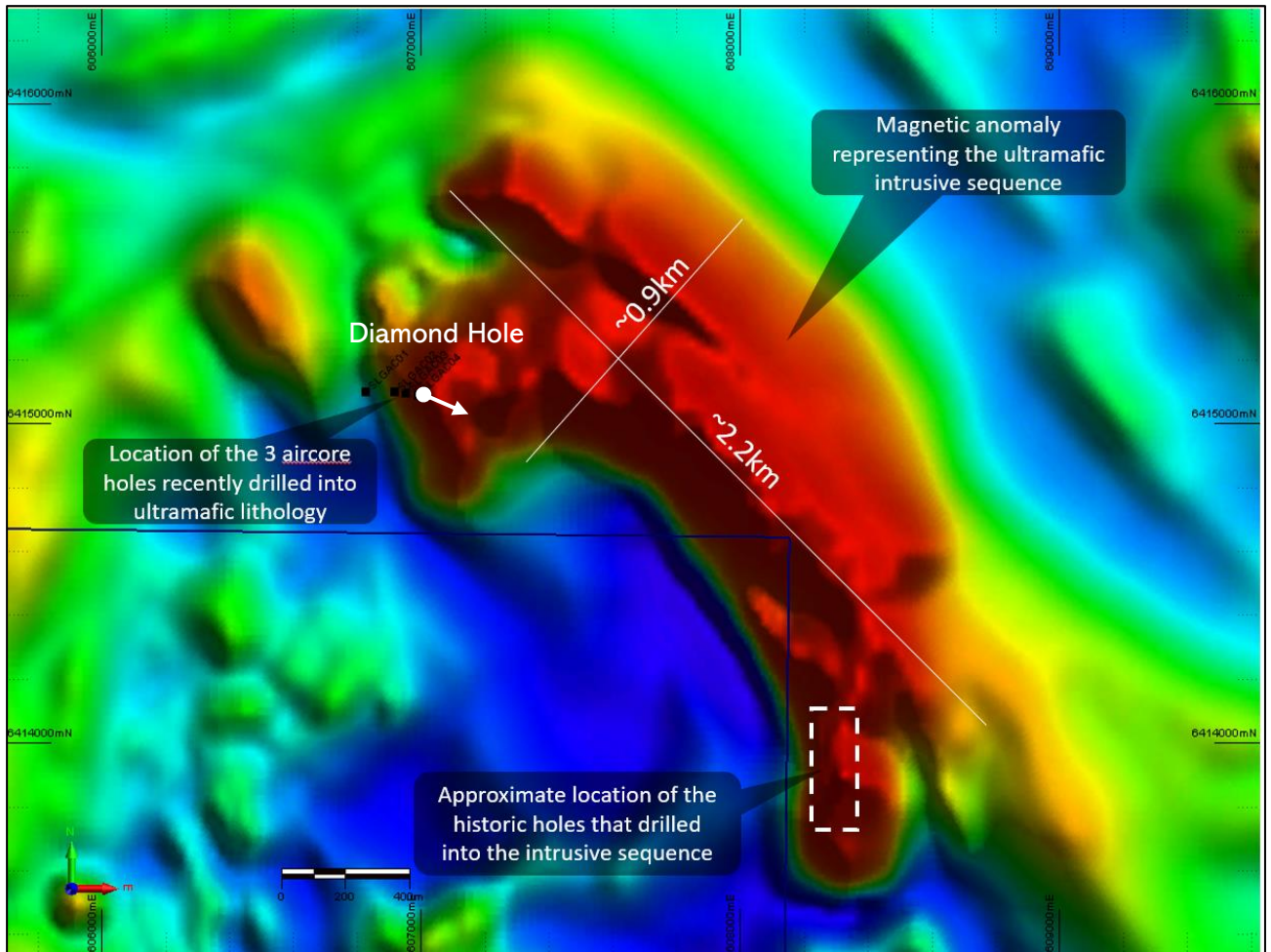


Figure 2: Plan view of the strong magnetic anomaly representing the ultramafic sequence. Sultan's recent aircore holes were completed on the northwestern edge of the body, some 2 km away from historic drilling to the southeast. The current diamond hole is indicated by the white trace.

LACHLAN FOLD BELT PROJECT

During the quarter Sultan continued to review and compile all exploration data so far collected across its suite of highly attractive porphyry and epithermal exploration targets in the Macquarie Arc volcanic rocks of the Lachlan Fold Belt, NSW. No field work was undertaken, with the review aimed at defining the next round of exploration and drill targets across the projects.

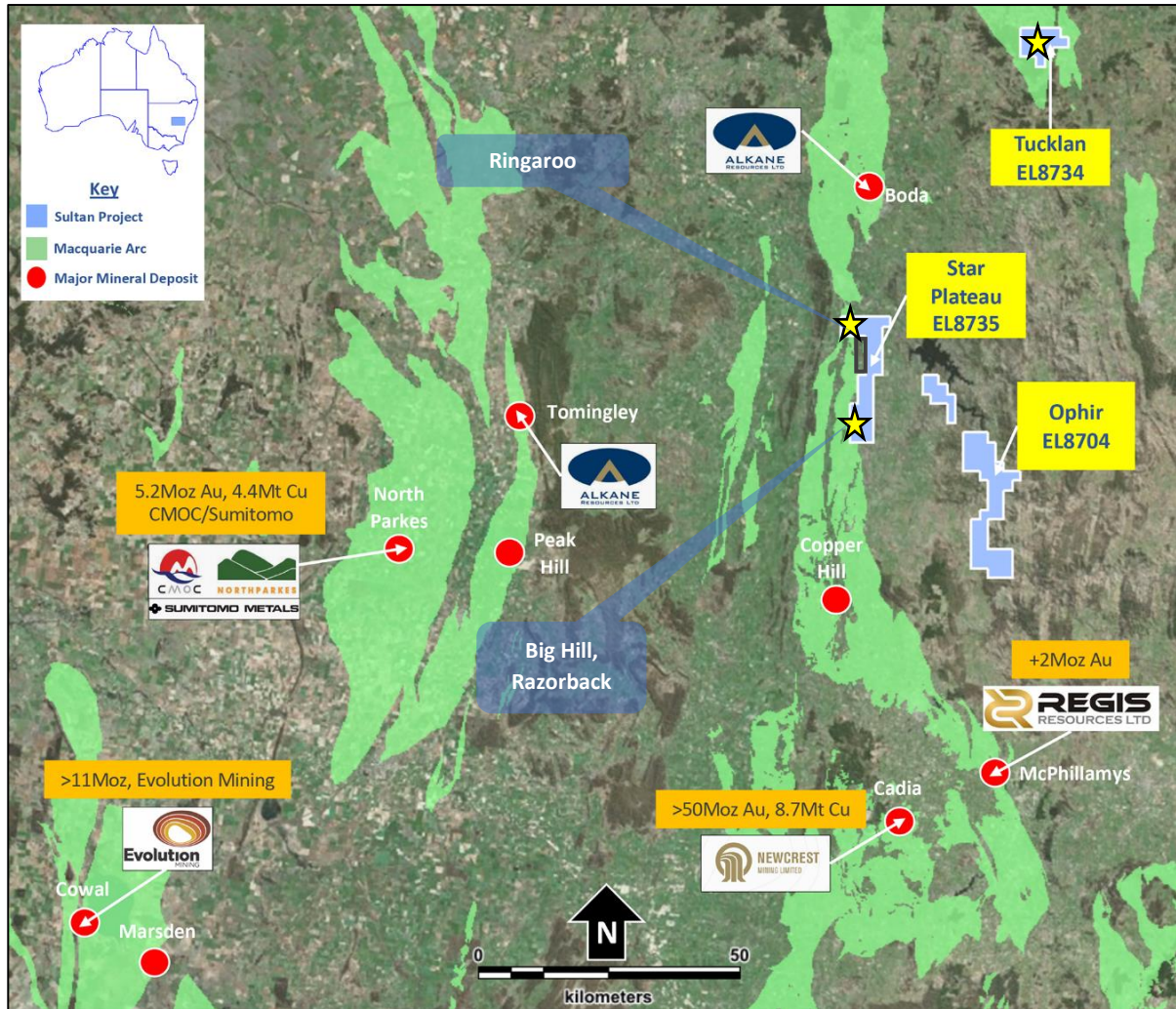


Figure 5: Location Map – Sultan Tenements over the prospective Macquarie Arc sequence with priority targets indicated.

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 692km² 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 two project areas:

- Thaduna in the Peak Hill area approximately 190km NE of Meekatharra,
- Lake Grace approximately 250km SE of Perth



CORPORATE

Sultan's cash position as at 30 September 2022 was \$1.4million.

ADDITIONAL ASX INFORMATION

ASX Listing Rule 5.3.1

Exploration and Evaluation during the quarter was ~\$64,000. The majority of this was spent on the Company's Lake Grace Nickel and Lachlan Fold Belt projects.

ASX Listing Rule 5.3.2

There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5

Payments to Related Parties & their Associates	Total Amount
Director Fees and Superannuation	\$46,967
Company Secretarial, Registered Office and Financial Management Services	\$15,868

ASX Listing Rule 5.3.3

SCHEDULE OF TENEMENTS

Western Australia

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Thaduna Project							
E52/3481	Sultan 100%	Live	1 block	19/10/2016	8/02/2018	7/02/2023	\$10,000
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	Expenditure requirement
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	\$75,000
EL 8734 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2025	Current	16 Units	\$960	\$100	\$10,000	\$10,000	Group 1	\$50,000
EL 8735 (1992)	Colossus Metals Pty Ltd	16 April 2018	16 April 2025		37 Units	\$2,220	\$100	\$10,000	\$10,000	Group 1	\$75,000
ELA 9070 (1992)	Sultan Resources Ltd	02 March 2021	02 March 2027	Current	4 Units	\$240	\$100	\$10,000	\$10,000	Group 1	\$14,000
Total: 4					117 Units	\$7,020	\$400	\$40,000	\$40,000		



The mining tenements relinquished during the quarter and their location – Tenements E29/2185-I (Tallering East Project, WA) and E52/3461 (Thaduna Project, WA)

The mining tenement interests acquired during the quarter and their location – None

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter – N/A

Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the quarter
- N/A

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 and is also a Non-Executive Director 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.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1)	(1)
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(59)
(e) administration and corporate costs	(87)	(87)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(147)	(147)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(63)	(63)
(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 (3 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	(63)	(63)

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	1,623	1,623
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(147)	(147)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(63)	(63)
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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,413	1,413

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	1,413	1,623
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)	1,413	1,623

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1	Director and consulting fees paid to Directors and/or Director related entities	\$46,967
	Financial management and Company secretary fee paid to Director related entity	\$15,868

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. 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.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(147)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(63)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(210)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,413
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,413
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.73
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: N/A	
8.8.2 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: N/A	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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:24 October 2022.....

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.