

21<sup>st</sup> June 2023

## RIO TINTO EXPLORATION AND SULTAN ENTER INTO OPTION AND JV AGREEMENT FOR WA TENURE

### Lake Grace Tenure - WA

- Rio Tinto Exploration Pty Limited (RTX) and Sultan enter into option to farm-in and joint venture agreement in respect of E70/5082, a portion of Sultan's Lake Grace tenure
- Agreement allows RTX to undertake preliminary exploration during an initial option period and then earn an 80% interest in E70/5082 by way of \$2m of exploration spend within 5 years
- Sultan retains full ownership of its principal area of focus to date (Kulin Hill tenure on E70/5095)
- Following its recent successful share placement, Sultan will continue exploration at its Kulin Hill Nickel-PGM prospect

Sultan Resources Limited (ASX: SLZ) (**Sultan** or **Company**) is pleased to announce that it has entered into a binding option to farm-in and joint venture agreement (**Option Agreement**) with Rio Tinto Exploration Pty Limited (**RTX**), a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO) in respect of E70/5082 (**Option Tenure**).

The transaction allows Sultan to continue to focus on Kulin Hill where it has been most recently active while providing upside for its shareholders via work to be carried out under the Option Agreement on E70/5082.

Chairman Jeremy King commented:

*"We are pleased to enter into this arrangement with RTX and hope it leads to a mutually rewarding partnership. We will continue with our own exploration activity at our Kulin Hill tenure which we view as highly prospective Nickel-PGM ground, and with the recently completed placement and acquisition of lithium tenure in Ontario, Canada, it is shaping as a busy period for the Company."*

The material terms of the Option Agreement are as follows:

- RTX pays Sultan \$25,000 and has the right to exclusively conduct a preliminary stage of exploration over the Option Tenure for 6 months (**Option Period**).
- At its election, RTX may extend the Option Period by an additional 6 months, by paying Sultan a further \$25,000.



- At any time during the Option Period, RTX may elect to farm-in to the Option Tenure and earn an 80% joint venture interest in the Option Tenure by way of sole funding \$2m of exploration activity, including a minimum of 1,000m of RC and/or diamond drilling.
- RTX has 5 years to meet the minimum farm-in expenditure requirement but agrees that should it not be met by 3 years and should it wish to continue in the farm-in then it shall pay Sultan \$50,000 (provided that RTX has had reasonable access to the Option Tenure in order to conduct exploration activities).
- On meeting the farm-in expenditure and drilling requirements, a standard 80/20 contributing joint venture (**JV**) is formed. Should a party's interest in the JV dilute to below 10%, the other party may buyout the interest at fair market value or otherwise the interest shall be converted to a 1% net smelter royalty payable for the first 5 years of commercial production.
- For the duration of the Option Period, RTX is responsible for all rents and required expenditure on E70/5082 and is granted a right of first refusal over the sale or disposal by Sultan of the balance of its Lake Grace tenure package, namely E70/5095, E70/5085, E70/5081 and E70/5179.

*This announcement is authorised by the Board of Sultan Resources Ltd*

For further information contact:  
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**About Sultan Resources**

Sultan Resources is an Australian focused exploration company with a portfolio of quality assets in emerging discovery terranes currently targeted by successful explorers such as Newcrest Mining, Alkane Resources, Gold Road Resources, and Sandfire Resources. Sultan's tenement portfolio includes prospective targets for porphyry Au-Cu, structurally-hosted gold, Nickel, Cobalt and base metals and include tenements located in the highly prospective east Lachlan Fold Belt of Central NSW as well as projects 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.