

ASX ANNOUNCEMENT

23 July 2024

CORPORATE DETAILS

ASX Code: SLZ

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CALESI PROSPECT DRILLING RESULTS

- **Two Reverse Circulation (RC) holes totalling 560m completed at Calesi prospect, approximately 5km south-west of Kulin in the wheatbelt of WA.**
- **Exploration activities funded by Rio Tinto Exploration (RTX) pursuant to its farm-in to the project.**
- **Calesi Prospect defined by late time Electromagnetic (EM) anomaly established by regional EM airborne survey and close-spaced heli-borne EM.**
- **EM anomalism confirmed related to sub-horizontal pyrrhotite-rich mafic amphibolite.**
- **Assay results highlighted As-Ag-Te-Sb geochemical anomalism associated with sulfide bands.**
- **On the basis of the drilling results, RTX has elected to withdraw from its farm-in to the project.**

Sultan Resources Ltd (ASX:SLZ, **Sultan** or **Company**) provides this update on RC drilling of the Calesi prospect near Kulin, WA, where two holes (CLRC001-002) funded by RTX were drilled to depths of 210m and 350m respectively in March 2024. Both holes were cased for Downhole Electromagnetic (DHEM) surveys and a subsequent Fixed Loop EM Survey.

Discussion:

Drilling intercepted bands of variably silicified and occasionally sulfide-rich mafic amphibolite, interbedded with a felsic unit, provisionally identified in the field as a tonalite, passing to a granitic basement at around 300m downhole. The dominant sulfide was pyrrhotite, and no

support for magmatic nickel sulfides was observed in drilling.

Preliminary assessment of the FLTEM and DHTEM data by RTX highlighted local zones within the system of significantly higher conductance than the main conductor (designated as M1-dipping locally at around 10° to the WNW). The data and modelling show that there are local steeper dipping zones (designated M2 and M3) within the system of significantly higher conductance (up to 25,000S compared to 6000–8000S for the main conductor M1) which may warrant some further attention- refer Figure 1. RTX consultants consider that this may be due to remobilisation of sulfides along low-angle structures, or local thickening/accumulation in flexure zones along the strike of the system.

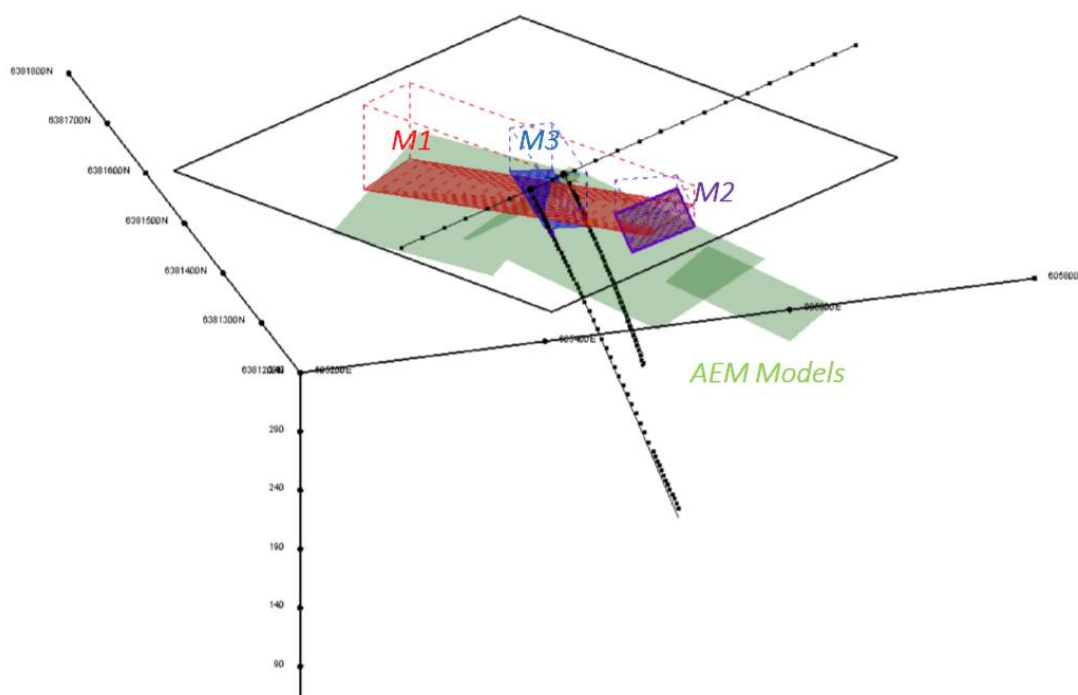


Figure 1: Drilling traces and EM modelled plates looking NNE, Calesi Project

The Company submitted initial 5m composite samples from the drilling to ALS laboratory in Perth for gold and multi-element analysis. Results were expedited and received, with an As-Ag-Te-Sb association noted with the sulfides in the broad conductor (M1), which would normally be associated with gold, though no economically significant Au values were noted in the composite values.

Single metre samples were subsequently collected from CLRC001 (20-65m and 180-195m); and CLRC002 (20-60m and 170-185m) respectively and also submitted to ALS for analysis. The resulting single metre analyses confirmed the anomalous As-Ag-Te-Sb association with sulfide-rich material (42-53m in CLRC001 and 47-52m in CLRC002 reporting >1% S, to a maximum of 8.4% S), but no significant gold values were observed (maximum 0.036 ppm Au).

On the basis of the drilling results, RTX has elected to withdraw from its farm-in in respect of the project.

Background: Calesi Ni Prospect- Rio Farm-in Tenement (E70/5082)

Rio Tinto Exploration Pty Limited (RTX) and Sultan have entered into option to farm-in and joint venture agreement in respect of E70/5082, a portion of Sultan’s Lake Grace tenure (refer ASX announcement 21/6/2023). The 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, with Sultan retaining full ownership of its principal area of focus-to-date (Khal Prospect-previously Kulin Hill- on E70/5095). Previously, RTX had identified a strong untested late time conductivity anomaly from a single line SKYTEM response in the northern part of E70/5082, from 20km line-spaced data, coincident with a circular magnetic and radiometric anomaly, which formed the basis for RTX’s entry to the option and farm-in arrangement.

In mid-August 2023, NRG Geophysics were contracted to fly a detailed (100m line-spaced) helicopter-borne time-domain electromagnetic (HTDEM) survey totalling around 80 line km over an area approximately 4km SW of the wheatbelt town of Kulin (refer Figures 3). The Company subsequently released images and interpretation of the data by the Company and RTX, with the heli-borne EM survey outlining a significant EM response over 750m in length and 230m in width, which may resolve to two targets with further investigation (refer Figure 2), characterised by a strong late-time signal. The Company and RTX considered the geological setting and EM response suggestive of potential for magmatic nickel sulfide mineralisation.

Preliminary modelling of the target was completed by RTX consultants, with target depths for modelled plates starting from approximately 70m below surface. Planning for initial RC Drilling to confirm the nature of the geophysical anomaly was completed, with Programme of Works (PoW) approval received, providing for 2 Reverse Circulation (RC) holes (refer Figure 2 inset) to test the anomaly for proof of concept, followed by diamond drilling if required. The RC holes were planned for depths of up to 350m, designed to penetrate the modelled target from 70m vertical, and intended to confirm the geometry of the anomaly ahead of potential follow-up diamond drilling. RTX formally exercised their option to earn in to 80% of E70/5082 in December 2023, and sole-funded the drilling campaign, which was managed by Sultan.



Photo 1: Drilling of CLRC002 at Calesi Prospect, south-west of Kulin, WA

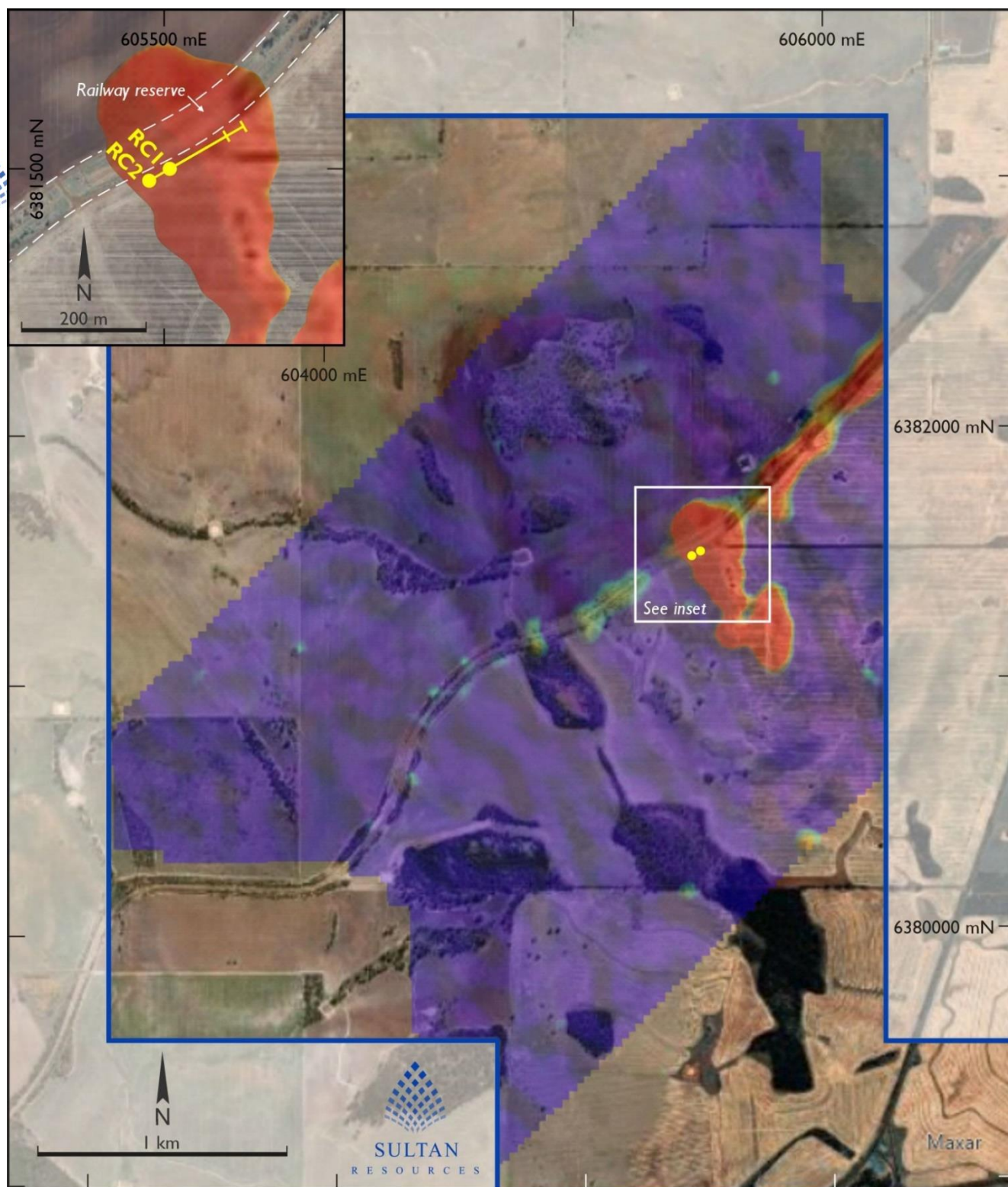


Figure 2: Channel 24Z EM response from heli-borne EM surey image overlain on aerial photography and magnetic response, with tenement E70/5082 highlighted. Initial two hole RC drill traverse highlighted in inset.

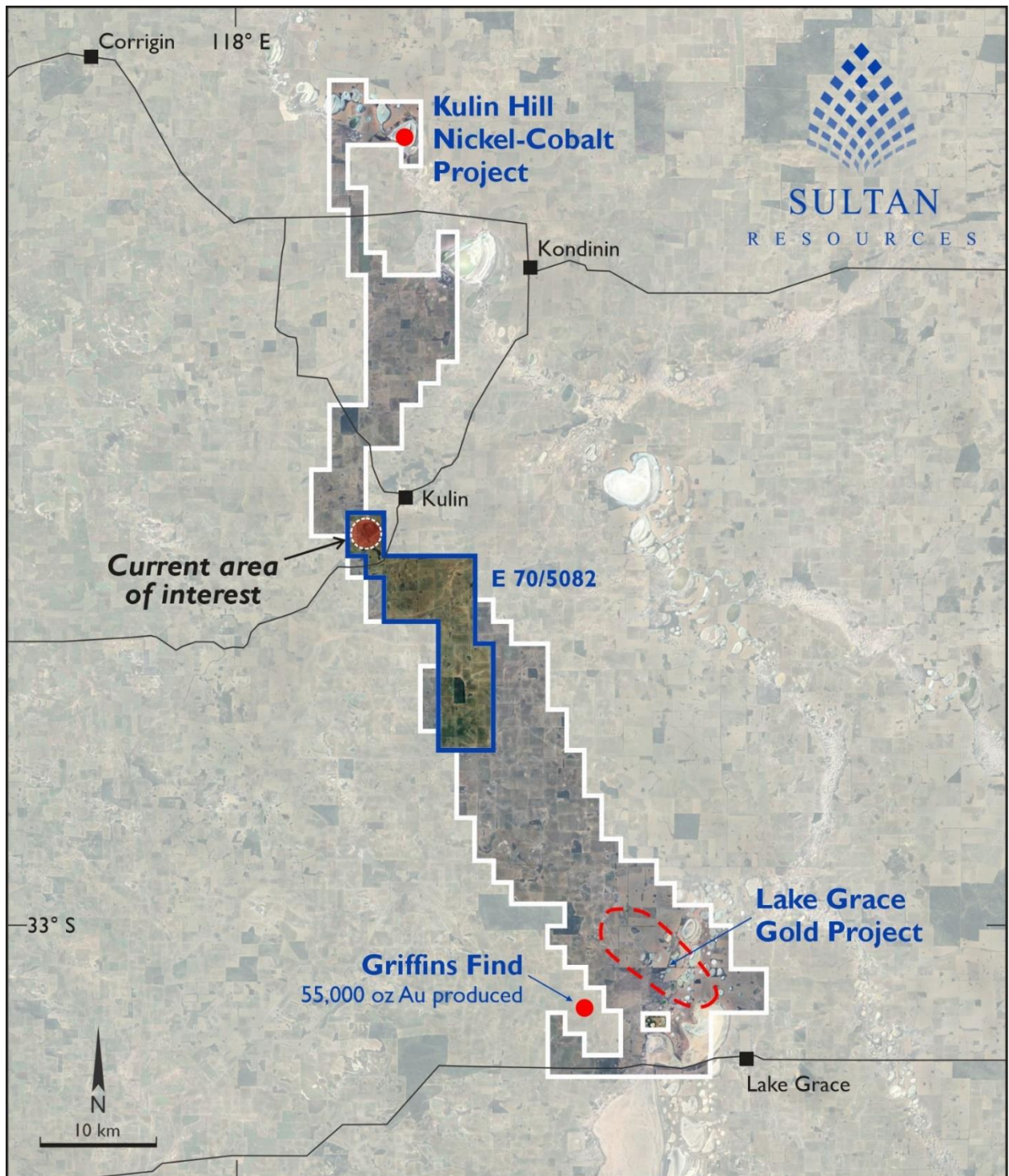


Figure 3: Overview Plan of Sultan's Kondinin-Lake Grace Project in the Southwest Terrane of WA, with RTX farm-in/JV tenement E70/5082 and current area of interest highlighted.

TABLE 1: Drill Hole details- Calesi Prospect

HOLE_ID	Northing	Easting	RL (est)	Dip	Azimuth	Depth	Results
CLRC001	6381500	605510	332	-60	060	210	NSI
CLRC002	6381481	605477	332	-60	060	350	NSI

NSI- No Significant Intersections



Previous ASX announcements related to this Project are listed below:

SLZ:ASX announcement 21/06/23: "Rio Tinto and Sultan enter into Option and JV Agreement"

SLZ:ASX announcement 16/08/23: "Helicopter EM Survey Commences at Rio-Sultan Ground"

SLZ:ASX announcement 24/10/23: "EM Survey Confirms Significant Geophysical Anomaly"

SLZ:ASX announcement 14/12/23: "Calesi Nickel Prospect Update"

SLZ:ASX announcement 20/02/24: "Calesi Drilling Preparations Update"

SLZ:ASX announcement 6/03/24: "Calesi Nickel Prospect Drilling to Commence"

SLZ:ASX announcement 14/3/24: "Calesi Prospect Drilling Completed"

This announcement is authorised by the Board of Sultan Resources Ltd

For further information contact:

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Competent Persons Statement

The information in this ASX Announcement that relates to Exploration Results is based on information reviewed and compiled by Mr Craig Hall, a Competent Person who is a Member of the Australian Institute of Geoscientists (#1748), and a full-time employee of Sultan Resources. Mr Hall 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hall consents to the inclusion in this Announcement 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.

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 abovementioned announcement.

About Sultan Resources

Sultan Resources is an Australian exploration company with a portfolio of quality assets in emerging discovery terranes. Sultan's tenement portfolio includes recently acquired lithium-prospective claims in NW Ontario in Canada; a tenement package in the southern terrane region of the Yilgarn Craton in the eastern wheatbelt of Western Australia with priority nickel-cobalt and gold targets, where Rio Tinto Exploration funded initial drilling under a farm-in JV on a central tenement; and tenements located in the highly prospective east Lachlan Fold Belt of Central NSW considered prospective for copper and gold. Sultan's board and management is committed to the responsible discovery of metals via modern exploration techniques, and to add value to these projects for the benefit of the company and its shareholders.

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • RC Drilling- This release: • Reverse Circulation (RC) Drilling was completed by an experienced crew from Hagstrom Drilling out of Perth, in line with industry standard outcomes. • Sample representivity was ensured by collecting a standard sample weight from a standard depth following a standardised sampling protocol. • Reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a sample for acid digestion and multi element analysis and 30 g charge for fire assay where appropriate. • DHEM/FLEM • Holes logged at 10m stations from 10m to EOH at 1Hz base frequency for CLRC001, and 0.25Hz for CLRC002. Infilled to 5m and 2.5m if required over crossovers. <hr/> <ul style="list-style-type: none"> • Helicopter-borne time domain electromagnetic and magnetic survey (“HTDEM”) was conducted by New Resolution Geophysics, and acquired with a ‘Squirrel’ Airbus model AS350-B3 helicopter using Xcite Concentric Tx-Rx with streamed sample rate. • SKYTEM data represented the first phase of the AusAEM2020 (WA) survey flown with a with a rotary aircraft contracted to Geoscience Australia, using the SkyTEM® airborne electromagnetic system. The survey was flown at a 20-kilometre nominal line spacing over the most south-western part and down to the southern coast of Western Australia. • The accompanying data package, titled “AusAEM-WA, Southwest-Albany Airborne Electromagnetic Survey Blocks:: SkyTEM® airborne electromagnetic data and GALEI inversion conductivity estimates”, was released on 4 November 2021 by Geoscience Australia (GA) and the Geological Survey of Western Australia (GSWA).
Drilling techniques	<ul style="list-style-type: none"> • Reverse Circulation drilling conducted with Schramm T685i, onboard Sullair 20/12 STR - 2 stage, 1350 cfm @ 350 psi, 1150 cfm @ 500 psi; supported by an Auxiliary Air Truck with Sullair 900XHH/1150XH Air Compressor – and Ox Engineering TSD1024 Booster. All samples drilled dry, except 2 single metres on delayed rod changes on CLRC002 (271m, 319m), and stronger inflow at 289m, which was corrected for.
Drill sample recovery	<ul style="list-style-type: none"> • Visual inspection of the RC sample volume indicates sample recovery was excellent and consistent. • All samples drilled dry with minimal clayey component. All RC samples are visually checked for recovery, moisture, and contamination • No potential for sample bias was observed, with no fine/coarse separation
Logging	<ul style="list-style-type: none"> • Holes drilled were logged to a level to support appropriate future Mineral Resource estimation, mining studies, and metallurgical studies. • Logging considered qualitative; chip trays photographed and retained. • 100% of drilled intervals logged (560m total).
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • Non-core drilling, sampled dry through Cone splitter; Cyclone routinely checked during drilling; • Samples retained in 600mm x 900mm green plastic bag, with a prenumbered 300mm x 380mm calico split from cyclone. Drill sampling preparation techniques considered to be appropriate and in line with industry-standard practice. • Standard certified reference materials employed. • No field splits taken for first pass exploration drilling. Laboratory duplicates anticipated. • Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory	<ul style="list-style-type: none"> • All samples split by lab riffle splitter if >3kg. (ALS SPL-21), then 3kg pulverised to 85% <75um (ALS PUL-23). • 5m Composites and Single metre samples assayed by ME-MS61 (48 element four acid ICP-MS+),





Criteria	Commentary
tests	<p>and Au by Au-ICP21 (30gm charge fire assay with ICP-AES Finish). Overlimit readings were to be resolved by ME-OG62.</p> <ul style="list-style-type: none"> An Olympus Vanta pXRF on 2 beam geochemical setting was utilised to assist logging, and checked before daily deployment. pXRF unit sampled fines sieved from plastic bags and placed in chip trays for assessment then disposed. A Kintor KT10 mag sus unit was deployed to record individual metre readings through the side of the calico sample bag to assist logging.
Verification of sampling and assaying	<ul style="list-style-type: none"> A Geostats standard was utilised, along with a geochemical standard run as a blank. Standards and blanks were inserted at a minimum of two per 25 samples submitted. QA/QC checks reported within tolerances. No external checks to date. Logging recorded straight to Acquire client on Toughbook. Sample data recorded on paper logs, originals retained, data entered digitally received offsite in Perth, and checked against originals, retained digitally on server.
Location of data points	<ul style="list-style-type: none"> RC Drilling- This release: Drill collars laid out and recorded/photographed with handheld GPS (Garmin GPS Map 67). Locations considered accurate to within 2.5m. Downhole surveys taken in continuous read mode using north-seeking REFLEX gyro tool. Holes typically swung moderately south and steepened at depth, not considered material to the objective of this drilling. Datum GDA94 MGA Zone 50 is used for all reporting and maps in this announcement. Current topographic control estimated at +/- 3m from GPS. <hr/> <ul style="list-style-type: none"> NRG Excite system coordinates are generated from onboard GPS input from Novatel DL-V3L1L2 unit with differential correction, survey planned at around 35m above ground, with target accuracy for the helicopter \pm 10m from the planned elevation, using radar altimeter SF-01. Project locations fall in UTM Zone 50.
Data spacing and distribution	<ul style="list-style-type: none"> RC Drilling- This release: Single drill traverse comprising 2 holes 40m apart. First hole was planned to confirm the nature of the EM anomalism, with the second deeper hole planned to confirm the geometry of the anomalism, covering possible vertical orientations. <hr/> <ul style="list-style-type: none"> NRG Excite system 100m survey line spacing; 30 to 40m flying height above ground level; line orientation 045/225 The publicly available regional AusAEM data was based on a nominal ~20km line spaced survey, flying east-west.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> RC Drilling- This release: 060 considered optimal for drill traverse normal to anticipated longitudinal axis of geophysical anomaly. Initial plate modelling of Excite data suggested a flat westerly dip in the vicinity of the initial drilling. Planning of drilling considered both flatter and steeper geological structures. No sampling bias established at this early stage. <hr/> <ul style="list-style-type: none"> 045/225 was initially considered approximately normal to anticipated longitudinal axis of geophysical anomaly for planned flight path of and supported by results.
Sample security	<ul style="list-style-type: none"> Samples for analysis collected in numbered polyweave bags under direct control of Exploration Manager, then transported by same to ALS laboratory in Malaga for sample preparation and analysis.
Audits or reviews	<ul style="list-style-type: none"> No audits or reviews of sampling techniques or data undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> E70/5082 is granted and in good standing. The Company has recently received a 5 year Extension of Term until 2028 for this and surrounding tenements in its Kulin-Lake Grace Combined Project. The Company announced terms of an option and farm-in arrangement with Rio (RTX) via ASX:SLZ ann. dated 21st June 2023. The tenement principally overlies freehold farming properties. A Land Access has been signed with the landowner for the Calesi prospect A portion of the target falls within a 60m wide railway reserve- Land ID 3110021, being part of the Tier3 Narrogin-Kulin rail line, closed since 2013. As part of the grant of tenure the Company cannot drill within 30m of the reserve without Ministerial approval. Approval to drill the prospect has been granted by the Ballardong Group, in line with the AHA for the tenement. RC holes CLRC001 and CLRC002 have been rehabilitated, and the ground is back under crop.
Exploration done by other parties	<ul style="list-style-type: none"> Not Applicable, AusAEM survey discussed previously. A graphite occurrence (SO232032) in MINDEX was noted by Simpson (1951- Minerals of Western Australia- v2) in a granitic gneiss reported by contain up to 2.7% graphite in lenses with scattered flakes, originally located proximal to Calesi. Review of the location from the original source was inconclusive, but likely placed the occurrence further SW of Calesi by up to 2km, which better matched interpreted geology, and was well outside of the extent of the Excite EM survey. The low percentage of graphite was also considered to be unlikely to be the source of strong EM anomalism. The Company notes that MINDEX records have recently independently been updated to better reflect the likely position of the Kulin graphite occurrence.
Geology	<p>The Company is targeting:</p> <ul style="list-style-type: none"> Gold mineralisation in greenstone terranes of Archaean age. The previously conceptualised magmatic nickel sulfide mineralisation was not supported by logged geology in the drilling.
Drill hole Information	<ul style="list-style-type: none"> Refer Table 1.
Data aggregation methods	<ul style="list-style-type: none"> No data aggregation anticipated; composite sampling employed to assess for mineralised zones of interest
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Not known at early exploration stage
Diagrams	<ul style="list-style-type: none"> Refer to figures and images included in this report.
Balanced reporting	<ul style="list-style-type: none"> Further detail can be gained from reports referenced or from individual company website.
Other substantive exploration data	<ul style="list-style-type: none"> Not known at early exploration stage
Further work	<ul style="list-style-type: none"> To be determined after further review.

