
SULTAN CORPORATION LIMITED

ACN 061 219 985

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00 am (WST)

DATE: 30 November 2010

PLACE: Level 1
350 Hay Street
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6365 4519.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00 am (WST) on 30 November 2010 at:

Level 1
350 Hay Street
Subiaco, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Sultan Corporation Limited, P.O. Box 222, Subiaco, Western Australia, 6008;
- (b) by hand to Sultan Corporation Limited, Level 1, 350 Hay Street, Subiaco, WA 6008;
- (c) facsimile to the Company on facsimile number (+61 8) 9388 6040; or
- (d) email to the Company at Dean. Gathercole@sultan.net.au,

so that it is received not later than 11.00 am (WST) on 28 November 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 11.00 am (WST) on 30 November 2010 at Level 1, 350 Hay Street Subiaco, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney time) on 28 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010.”

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JIMMY LEE

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Jimmy Lee, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of convertible notes issued at a face value of US\$4,000,000 to La Jolla Cove Investments, Inc., on the terms and conditions outlined in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE CONVERTIBLE NOTES**

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 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 57,945,906 Shares issued upon the conversion of the Convertible Notes referred to in Resolution 3 by the Company on 14 July 2010, on the terms and conditions outlined in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. **RESOLUTION 5 – REMOVAL OF AUDITOR**

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

“That, pursuant to Section 329 of the Corporations Act and for all other purposes, approval is given for the removal of Ord Nexia Pty Ltd as the current auditor of the Company effective from the date of the Annual General Meeting.”

6. **RESOLUTION 6 – APPOINTMENT OF AUDITOR**

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

“That, in accordance with Section 327B of the Corporations Act and for all other purposes, the Company appoints MGI Perth Audit Services Pty Ltd as the auditor of the Company.”

7. **RESOLUTION 7 – PLACEMENT OF SHARES**

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 Directors to allot and issue up to 166,666,667 Shares at an issue price of \$0.006 per Share and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – PLACEMENT OF SHARES

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 Directors to allot and issue up to 36,000,000 Shares at an issue price of \$0.007 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – PLACEMENT OF OPTIONS

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 Directors to allot and issue up to 18,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 28 OCTOBER 2010

BY ORDER OF THE BOARD



**JERRY MONZU
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00 am (WST) on 30 November 2010 at Level 1, 350 Hay Street Subiaco Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Financial statements and reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the *Corporations Act* the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.sultan.net.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The *Corporations Act* requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JIMMY LEE

2.1 General

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Lee retires by rotation and seeks re-election. A profile of Mr Lee is contained in the 2010 annual report of the Company.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

3.1 General

On 14 July 2010 the Company entered into a funding arrangement with La Jolla Cove Investments, Inc. (**La Jolla Cove**) whereby the Company issued 2 convertible notes with a face value of US\$2,000,000 to La Jolla Cove.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 2 Convertible Notes to La Jolla Cove.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolution 3:

- (a) the Company issued 2 Convertible Notes with a face value of US\$2,000,000 each;
- (b) the Convertible Notes are convertible into Shares at the election of La Jolla Cove using the conversion method outlined in Schedule 1 and summarised in (c) below;
- (c) the terms and conditions of the Convertible Notes are summarised in Schedule 1. The Conversion Price of the Convertible Notes is equal to the lesser of:
 - (i) \$0.05 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalisations or the like); or
 - (ii) 80% of the average of the 3 lowest volume weighted average prices during the 21 trading days prior to the Holder's election to convert (the percentage figure being a discount multiplier);
- (d) where the Convertible Notes are converted into Shares, the Shares will rank equally with the Company's existing Shares on issue;
- (e) the Convertible Notes were issued to La Jolla Cove. La Jolla Cove is not a related party of the Company; and

- (f) as announced to ASX on 19 July 2010, funds raised from the issue of the Convertible Notes were used by the Company for working capital and business expansion purposes, specifically, to advance the Peelwood zinc/copper project in New South Wales and to conduct a full bankable feasibility study on the MB zinc/lead project in Montenegro.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE CONVERTIBLE NOTES

4.1 General

As announced to ASX on each of 16 August 2010, 9, 14 and 30 September 2010 and 18 October 2010, the Company issued 6,250,000, 6,250,000, 13,750,000, 14,473,684 and 17,222,222 Shares respectively (total of 57,945,906 Shares) to La Jolla Cove, upon the part conversion of the Convertible Notes.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to La Jolla Cove.

Section 3.1 sets out the requirements under ASX Listing Rules 7.1 and 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 57,945,906 Shares were allotted and issued;
- (b) based on the Conversion Price formula set out in Schedule 1, the Conversion Prices were as follows:
- (i) \$0.0048 per Share for the Shares issued on 12 August 2010;
 - (ii) \$0.0040 per Share for the Shares issued on 7 September 2010;
 - (iii) \$0.0040 per Share for the Shares issued on 10 September 2010;
 - (iv) \$0.0038 per Share for the Shares issued on 28 September 2010;
and
 - (v) \$0.0036 per Share for the Shares issued on 13 October 2010,
- representing the conversion of a total of \$227,000 from the Convertible Notes;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to La Jolla Cove upon part conversion of the Convertible Notes; and

- (e) no funds were raised from the issue of the Shares as they were issued upon the part conversion of the Convertible Notes previously issued by the Company.

5. RESOLUTIONS 5 – REMOVAL OF AUDITOR

5.1 General

On 1 October 2010 Ord Nexia Pty Ltd (**Ord**), the Company's current auditors, and MGI Perth Audit Services Pty Ltd (**MGI**) merged.

Pursuant to Resolution 6 below, the Company is seeking approval to appoint MGI as auditor to the Company. In order to do so, the Company firstly seeks the removal of Ord as auditor to the Company under Section 329 of the *Corporations Act*.

6. RESOLUTIONS 6 – APPOINTMENT OF AUDITOR

6.1 General

As outlined in Section 5.1 above, the Company seeks the appointment of MGI as auditor, following its merger with Ord, under Section 327B of the *Corporations Act*. The Directors support the nomination and recommend the appointment of MGI as auditor to the Company. In accordance with Section 328B of the *Corporations Act*, the Company has sought and obtained a nomination from a shareholder to appoint MGI as the Company's auditor. A copy of this nomination is attached and marked as Annexure A.

In accordance with Section 328A(1) of the *Corporations Act*, MGI has provided the Directors with written notification of its consent to act as auditor for the Company subject to Shareholder approval of Resolution 6.

Resolution 6 seeks approval for the appointment of MGI Perth Audit Services Pty Ltd (**MGI**) as the auditor of the Company.

If Resolution 6 is passed, the appointment of MGI as auditor for the Company will take effect at the close of this Annual General Meeting.

7. RESOLUTION 7 – PLACEMENT OF SHARES

7.1 General

Resolution 7 seeks Shareholder approval for the allotment and issue of up to 166,666,667 Shares at an issue price of \$0.006 per Share (**Share Placement 1**).

The subscriber pursuant to this issue is not a related party of the Company.

Section 3.1 sets out the requirements under ASX Listing Rule 7.1.

The effect of Resolution 7 will be to allow the Directors to issue the Shares pursuant to Share Placement 1 during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 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 Share Placement 1:

- (a) the maximum number of Shares to be issued is 166,666,667;
- (b) the Shares will be issued no later than 3 months after the date of the Annual General 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 allotment will occur progressively during this time;
- (c) the issue price will be a minimum of \$0.006 per Share;
- (d) the Shares will be issued to Advides Global Investment Limited (or their nominees) (**Advides**). Advides is an Investor relations consultant who is assisting Sultan with its progression into the European markets via its Frankfurt listing, which the Company has just completed. Advides is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from Share Placement 1 in order to advance its business plan and for general corporate purposes.

8. RESOLUTION 8 – PLACEMENT OF SHARES

8.1 General

Resolution 8 seeks Shareholder approval for the allotment and issue of up to 36,000,000 Shares at an issue price of \$0.007 per Share (**Share Placement 2**).

The subscriber pursuant to this issue is not a related party of the Company.

Section 3.1 sets out the requirements under ASX Listing Rule 7.1.

The effect of Resolution 7 will be to allow the Directors to issue the Shares pursuant to Share Placement 2 during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 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 Share Placement 2:

- (g) the maximum number of Shares to be issued is 36,000,000;
- (h) the Shares will be issued no later than 3 months after the date of the Annual General 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 allotment will occur progressively during this time;

- (i) the issue price will be a minimum of \$0.007 per Share;
- (j) the Shares will be issued to Advices (or their nominees);
- (k) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (l) the Company intends to use the funds raised from Share Placement 2 in order to advance its business plan and for general corporate purposes.

9. RESOLUTION 9 – PLACEMENT OF OPTIONS

9.1 General

Resolution 9 seeks Shareholder approval for the issue of 36,000,000 Options (**Option Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

Section 3.1 sets out the requirements under ASX Listing Rule 7.1.

The effect of Resolution 6 will be to allow the Directors to issue the Options during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 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 Option Placement:

- (a) the maximum number of Options to be issued is 36,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Annual General 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 will occur progressively during this time;
- (a) the Options will be issued free;
- (m) the Options will be issued to Advices (or their nominees) on the basis of one (1) Option for every one (1) Share that it subscribes for under Resolution 8;
- (c) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (a) as the Options are free, no funds will be raised from the issue of the Options.

10. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 6365 4519 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Advides means Advides Global Investment Limited (or their nominees).

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means a day other than Saturday, Sunday or any day on which banks located in the State of California and Victoria, Australia are authorised or obligated to close.

Company means Sultan Corporation Limited (ACN 061 219 985).

Conversion Price means the price calculated in accordance with clause (d) of Schedule 1 of this Notice of Meeting.

Conversion Shares means all Shares outstanding and securities of any other class or series into which the relevant Convertible Note is changed or substituted, under the terms of the Convertible Note Deed.

Convertible Note means the convertible note due 14 July 2012, issued by Sultan Corporation Limited on the terms and conditions set out in Schedule 1.

Convertible Note Deed means the Convertible Note Deed between the Company and La Jolla Cove Investors, Inc., dated 14 July 2010.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Annual General Meeting means the meeting convened by the Notice of Meeting.

La Jolla Cove or **Holder** means La Jolla Cove Investments, Inc.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the Explanatory Statement.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 2.

Optionholder means a holder of an Option.

Option Placement means the issue of 36,000,000 Options on the terms and conditions set out in Schedule 2.

Ord means Ord Nexia Pty Ltd.

MGI means MGI Perth Audit Services Pty Ltd.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Placement 1 means allotment and issue of up to 166,666,667 Shares at an issue price of \$0.006 per Share.

Share Placement 2 means the allotment and issue of up to 36,000,000 Shares at an issue price of \$0.007 per Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

A summary of the material terms and conditions of the Convertible Notes is as follows:

- (a) The Convertible Notes have a 2 year term and are unsecured.
- (b) The Company shall repay the principal amount outstanding on the Convertible Notes on the maturity date by wire transfer of immediately available funds to such account(s) as the Holder shall specify by written notice to the Company.
- (c) The Company will repay the face value of the Convertible Note to the Holder at the maturity date, unless the Convertible Notes have been converted into Shares in accordance with the terms of the Convertible Note Deed or repaid upon an earlier event of default.
- (d) The Convertible Notes are convertible into Shares at the election of the Holder. A Convertible Note may be converted, either in whole or in part, up to the full principal amount into Shares at any time on any business day. The Conversion Price shall be equal to the lesser of:
 - (i) \$0.05 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalisations or the like); or
 - (ii) 80% of the average of the 3 lowest Volume Weighted Average Prices during the 21 trading days prior to the Holder's election to convert (the percentage figure being a discount multiplier)

(together, **Conversion Price**).

- (e) The Conversion Price may be adjusted if an event of Fundamental Corporate Change occurs. The following shall constitute a Fundamental Corporate Change:
 - (i) the Company reorganises its capital, reclassifies its capital, consolidates or merges with or into another Person (where the Company is not the survivor or where there is a change in or distribution with respect to the Shares of the Company);
 - (ii) the Company sells, conveys, transfers or otherwise disposes of all or substantially all its property, assets or business to another person; and
 - (iii) the Company effects a transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Company is disposed of,

pursuant to the terms of which, securities of the successor or acquiring corporation, or any cash, shares or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of shares of the successor or acquiring corporation are to be received by or distributed to the Shareholders of the Company.

- (f) The Shares issuable in whole or part on conversion of the Convertible Notes shall rank equally in all respects with the existing Shares on the date of issue of the Conversion Shares.

- (g) The Company will apply for quotation by ASX Limited of all Conversion Shares issued upon the conversion of Convertible Notes within 2 trading days of the issue of the Conversion Shares.
- (h) Interest is payable on the principal amount at 4.75% per annum monthly in arrears. The Company may elect to satisfy interest payments by the issue of Shares at the then applicable Conversion Price.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options are free attaching.
- (c) The Options will expire at 5.00pm (WST) on a date that is 3 years after the date on which the Options were issued (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(**Exercise Notice**).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are not transferable.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (a) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

**PROXY FORM
 APPOINTMENT OF PROXY
 SULTAN CORPORATION LIMITED
 ACN 061 219 985**

GENERAL MEETING

I/We

of

being a member of Sultan Corporation Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 11.00 am (WST), on 30 November 2010 at Level 1, 350 Hay Street SUBIACO, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of director – Jimmy Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of prior issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of prior issue of Shares under the Convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Placement of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date:

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

SULTAN CORPORATION LIMITED
ACN 061 219 985

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than 2 proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints 2 proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Sultan Corporation Limited, P.O. Box 222, Subiaco, WA, 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9388 6040,so that it is received not later than 11.00 am (WST) on 28 November 2010.

Proxy forms received later than this time will be invalid.

Annexure A

15 October 2010
Sultan Corporation Limited
The Company Secretary
Level 1 350 Hay Street,
Subiaco 6008 WA

Dear Sir

Nomination of MGI Perth Audit Services Pty Ltd as Auditor of Sultan Corporation Limited.

I, Derek Lenartowicz , being a shareholder of Sultan Corporation Limited, hereby nominate MGI Perth Audit Services Pty Ltd of Level 7 , the Quadrant, 1 William Street, Perth, Western Australia 6000 for appointment as auditor of Sultan Corporation Limited at its 2010 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2010 Annual General Meeting of Sultan Corporation Limited as required by Section 328B (3) of the Corporations Act 2001.

Signed



Derek Lenartowicz