
SULTAN CORPORATION LIMITED

ACN 061 219 985

NOTICE OF GENERAL MEETING

TIME: 11.00am (WST)

DATE: 19 May 2011

PLACE: Level 1
350 Hay Street
Subiaco WA

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) 9287 4605.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (WST) on 19 May 2011 at:

Level 1, 350 Hay Street, SUBIACO WA.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the 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; or
- (b) by hand to Sultan Corporation Limited, Level 1, 350 Hay Street, Subiaco, WA;
- (c) facsimile to the Company on facsimile number (+61 8) 9388 6040; or
- (d) email to the Company at bhavna.munohur@sultan.net.au,

so that it is received not later than 11.00am (WST) on 17 May 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11.00am (WST) on 19 May 2011 at Level 1, 350 Hay Street, SUBIACO WA.

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 General Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney time) on 17 May 2011.

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

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE 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 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 156,000,000 Shares on the terms and conditions set out 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.

2. RESOLUTION 2 – PROPOSED ISSUE 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 Shares to raise a total of up to \$4,000,000 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.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF OPTIONS TO KEVIN ALEXANDER

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

“That, pursuant to and in accordance with Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot

and issue up to 3,000,000 Options to Kevin Alexander (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Kevin Alexander 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 – APPROVAL OF GRANT OF OPTIONS TO DIRECTOR – DEREK LENARTOWICZ

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 7,000,000 Options to Derek Lenartowicz (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Derek Lenartowicz (or his nominee) or any of his 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 – APPROVAL OF GRANT OF OPTIONS TO DIRECTOR – MILOS BOSNJAKOVIC

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 7,000,000 Options to Milos Bosnjakovic (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Milos Bosnjakovic (or his nominee) or any of his 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.

6. RESOLUTION 6 – APPROVAL OF GRANT OF OPTIONS TO DIRECTOR – MICHAEL RALSTON

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 7,000,000 Options to Michael Ralston (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michael Ralston (or his nominee) or any of his 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.

DATED: 1 APRIL 2011

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 General Meeting to be held at 11.00am (WST) on 19 May 2011 at Level 1, 350 Hay Street, SUBIACO WA.

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.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

As announced to ASX on 9 February 2011, the Company has previously issued 156,000,000 Shares at an issue price of 0.8 cents per Share to raise a total of \$1,248,500 (before costs) under a Share placement.

The Shares were issued to professional and exempt investors, who were not related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

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.

1.2 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 the Share Ratification:

- (a) 156,000,000 Shares were allotted and issued;
- (b) the issue price was 0.8 cents per Share;
- (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 allottees of the Shares were certain Australian institutional, sophisticated and professional investors, none of whom were Related Parties of the Company (for the purposes of Section 708 of the Corporations Act); and

- (e) as announced to ASX on 9 February 2011, the Company has applied the funds raised from the issue of the Shares towards the ongoing development of its Peelwood project, the advancement of its MB project and general working capital.

2. RESOLUTION 2 – PROPOSED ISSUE OF SHARES

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up to that number of shares which, when multiplied by the issue price, will raise up to \$4,000,000 for the Company (**Share Placement**).

The requirements under ASX Listing Rule 7.1 are summarised above in Section 1.1.

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

2.2 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 Share Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$4,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the 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 on the same date;
- (c) the issue price of the Shares is not yet known but it will be no less than 20% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the allottees will be investors that comply with the relevant provisions of Section 708 of the Corporations Act identified by the Directors. None of the allottees will be related parties 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 the Share Placement towards the following;

Project in Montenegro

- Confirm drilling results from the Montenegrin resource to a JORC compliant level, and;
- Continue metallurgical testwork of the main ore types and preliminary mine planning.

North Project

- Completion of activities required for approval of the mining project, including water studies, noise, traffic movements, and;
- Engineering design for the process plant.

Gold Project

- Conduct first pass drilling of identified targets;

and for general working capital.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF OPTIONS TO KEVIN ALEXANDER

3.1 General

Resolution 3 seeks Shareholder approval for the allotment and issue of 3,000,000 Options to Kevin Alexander, pursuant to an employment agreement between the Company and Kevin Alexander dated 24 July 2007 (**Employment Agreement**).

Kevin Alexander is the Company's Chief Geologist and is not a related party of the Company for the purposes of the Corporations Act.

3.2 ASX Listing Rule 7.1

The requirements under ASX Listing Rule 7.1 are summarised above in Section 1.1.

The effect of Resolution 3 will be to allow the Directors to issue Options to Kevin Alexander during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

3.3 Shareholder Approval (ASX Listing Rule 7.1)

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) the Company will issue and allot a maximum of 3,000,000 Options;
- (b) the Options will be issued to Kevin Alexander (or his nominee);
- (c) the Options will be issued no later than 3 months after the date of this Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;
- (d) no funds will be raised from the issue of Options to Kevin Alexander as they will be issued as part of Kevin Alexander's remuneration pursuant to the Employment Agreement; and
- (e) the Options will be issued on the terms and conditions set out in Schedule 1 to this Explanatory Statement.

4. RESOLUTIONS 4 TO 6 – APPROVAL TO ISSUE OPTIONS TO DIRECTORS

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 21,000,000 Options (**Director Options**) to Messrs Lenartowicz, Bosnjakovic and Ralston (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (f) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (g) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, Messrs Lenartowicz, Bosnjakovic and Ralston are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

4.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related parties are Messrs Lenartowicz, Bosnjakovic and Ralston and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 7,000,000 Director Options to Derek Lenartowicz;
 - (ii) 7,000,000 Director Options to Milos Bosnjakovic; and
 - (iii) 7,000,000 Director Options to Michael Ralston;
- (c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted

by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;

- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Schedule 1;
- (f) the value of the Director Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Derek Lenartowicz	67,412,531	Nil
Milos Bosnjakovic	66,138,095	Nil
Michael Ralston	Nil	Nil

the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year 2011	Previous Financial Year 2010
Derek Lenartowicz	248,820	226,200
Milos Bosnjakovic	248,820	218,950
Michael Ralston	10,000	Nil

- (h) if the Director Options granted to the Related Parties are exercised, a total of 21,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 1,198,558,488 to 1,219,558,588 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.72%, comprising 0.58% by Derek Lenartowicz, 0.58% by Milos Bosnjakovic and 0.58% by Michael Ralston.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

- (i) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	3.4 cents	1 March 2011
Lowest	0.4 cents	24 November 2010
Last	2.7 cents	31 March 2011

- (j) the primary purpose of the grant of Director Options to Messrs Lenartowicz, Bosnjakovic and Ralston is to provide market linked incentive packages in their respective capacities as Managing Director, Executive Director and Non- Executive Director and for their future performance in their respective roles. The Board considers the grant of the Director Options to Messrs Lenartowicz, Bosnjakovic and Ralston to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (k) the primary purpose of the grant of Director Options to Milos Bosnjakovic is to provide a market linked incentive package in his capacity as Executive Director and for the future performance by him in this role. The Board (other than Milos Bosnjakovic) considered the extensive experience and reputation of Milos Bosnjakovic, the current market price of Shares and current market practices when determining the number and exercise price of the Director Options to be issued to Milos Bosnjakovic. In addition, the Board considers the grant of the Director Options to Milos Bosnjakovic to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (l) the primary purpose of the grant of Director Options to Michael Ralston is to provide a market linked incentive package in his capacity as Non-Executive Director and for the future performance by him in this role. The Board (other than Michael Ralston) considered the extensive experience and reputation of Michael Ralston, the current market price of Shares and current market practices when determining the number and exercise price of the Director Options to be issued to Michael Ralston. In addition, the Board considers the grant of the Director Options to Michael Ralston to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- (m) the Board acknowledges the grant of Director Options to Michael Ralston is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Michael Ralston to be reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (n) Derek Lenartowicz declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board (other than Derek Lenartowicz) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (o) Milos Bosnjakovic declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Milos Bosnjakovic) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and
- (p) Michael Ralston declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Michael Ralston) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9287 4605 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

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 Western Australia are authorised or obligated to close.

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

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

Director Options means the Options to be issued to Messrs Lenartowicz, Bosnjakovic and Ralston pursuant to Resolutions 4 to 6.

Directors means the current directors of the Company.

Employment Agreement means the employment agreement between the Company and Kevin Alexander dated 24 July 2007.

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

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

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Related Parties means Messrs Lenartowicz, Bosnjakovic and Ralston.

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 means the allotment and issue of the number of shares which, when multiplied by the issue price, will raise up to \$4,000,000.

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

SCHEDULE 1 – 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 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.
- (c) The amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).
- (d) 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.
- (e) 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).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) 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.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.

SCHEDULE 2 – VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 4 to 6 have been valued by Stantons International Securities.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

Assumptions:			
Valuation date	29 March 2011		
Market price of Shares	2.5 cents per share		
Exercise price	3.0 cents share		
Expiry date	26 May 2014		
Risk free interest rate	4.78%		
Volatility	100%	170%	200%
Indicative value per Director Option	1.212 cents	1.712 cents	1.830 cents
Total Value of Director Options	\$254,520	\$359,520	\$384,300
- Derek Lenartowicz	\$84,733	\$119,840	\$128,100
- Milos Bosnjakovic	\$84,733	\$119,840	\$128,100
- Michael Ralston	\$84,733	\$119,840	\$128,100

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes.

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

the Chair of the 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 General Meeting to be held at 11.00am (WST), on 19 May 2011 at Level 1, 350 Hay Street, SUBIACO WA, and at any adjournment thereof.

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

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 4 to 6** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4 to 6 and that votes cast by the Chair of the General Meeting for Resolutions 4 to 6 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 4 to 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 to 6.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of issue of Options to Kevin Alexander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of grant of Options to Director – Derek Lenartowicz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of grant of Options to Director – Milos Bosnjakovic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval of grant of Options to Director – Michael Ralston	<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, Western Australia, 6008; or
 - (b) by hand to Sultan Corporation Limited, Level 1, 350 Hay Street, Subiaco, WA;
 - (c) facsimile to the Company on facsimile number (+61 8) 9388 6040; or
 - (d) email to the Company at bhavna.munohur@sultan.net.au,so that it is received not later than 11.00am (WST) on 17 May 2011.

Proxy forms received later than this time will be invalid.