



ASX ANNOUNCEMENT

28th September 2023

Sultan Resources Ltd

CORPORATE DETAILS

ASX Code: SLZ

DIRECTORS

JEREMY KING
CHAIRMAN

STEVEN GROVES
NON-EXECUTIVE DIRECTOR

DAVID LEES
NON-EXECUTIVE DIRECTOR

www.sultanresources.com.au

info@sultanresources.com.au

2023 ANNUAL REPORT

Sultan Resources Ltd (ASX:SLZ or the **Company**) is pleased to present its Annual Report for the financial year ended 30 June 2023 which is attached.

Additionally, the Company confirms that its Annual General Meeting (**AGM**) will be held on Thursday, 23 November 2023 commencing at 10:00am (AWST) at:

Suite 11, Level 2
23 Railway Road
Subiaco WA 6008

The Company advises that the Closing Date for receipt of nominations is Thursday, 5 October 2023. Any nominations for the position of Director must be received in writing on or before 10:00am (AWST) on 5 October 2023 at the Company at its registered office. The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections.

Shareholders will be advised of further details regarding the AGM in a separate Notice of Meeting, which will be provided to shareholders in due course. The Notice of Meeting will also be available on the ASX Company Announcements Platform and the Company's website at <https://www.sultanresources.com.au/>.

This announcement is authorised by the Board of Sultan Resources Ltd

For further information contact:

info@sultanresources.com.au

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 have recently formalised 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.



SULTAN RESOURCES LIMITED

ABN 35 623 652 522

**Annual Report for the
Year Ended 30 June 2023**

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Corporate Directory

Board of Directors

Jeremy King	Non-Executive Chairman
Steven Groves	Non-Executive Director
David Ian Lees	Non-Executive Director

Secretary

Ms Hannah Cabatit

Registered Office

Suite 11, Level 2
23 Railway Road
Subiaco WA 6008

Telephone: 08 6559 1792

Website: www.sultanresources.com.au

Securities Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: SLZ)

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Solicitors

Nova Legal
2/50 Kings Park Road
West Perth WA 6005

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Directors' Report

The Directors of Sultan Resources Limited ("SLZ" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Sultan Resources Limited and its controlled entities ("the Group") for the year ended 30 June 2023.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. The Directors held office for this entire year unless otherwise stated.

Jeremy King | Non-Executive Chairman

Mr King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial and corporate matters. Mr King is a director of a boutique corporate advisory and compliance business where he specializes in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters.

During the past three years, Mr King held the following directorships in other ASX listed companies:

- Executive Corporate Director of C29 Metals Limited (current);
- Non-Executive Chairman of ECS Botanics Holdings Ltd (current);
- Non-Executive Director of Smart Parking Limited (current);
- Non-Executive Chairman of Redcastle Resources Limited (current);
- Non-Executive Director of Burgundy Diamond Mines Limited (resigned December 2021); and
- Executive Director of Red Mountain Mining Limited (resigned November 2021).

Steven Groves | Non-Executive Director

Mr Groves has a Bachelor of Applied Geology (Honours) and completed a Master's of Economic Geology from CODES-SRC at the University of Tasmania.

Mr Groves is currently a non-executive director of Six Sigma Metals Ltd (ASX: SI6) and brings 25 years of geological experience in the mining industry including exploration and management roles with BHP Billiton (ASX: BHP), Newmont Mining, Newcrest Mining (ASX: NCM), A-Cap Resources (ASX: ACB) and Botswana Metals.

During the past three years, Mr Groves held the following directorships in other ASX listed companies:

- Non-Executive Director of Six Sigma Metals Ltd (resigned April 2023); and
- Resolution Minerals Limited (resigned 7 November 2022).

David Ian Lees | Non-Executive Director

Mr Lees has over 16 years' experience in the Australian financial services industry starting his career as a stockbroker before moving into investment and funds management. These roles have given Mr Lees extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance.

Most recently, Mr Lees has worked in the private sector driving his business from product conception through to design, development, manufacturing and international retail sales. Mr Lees's education qualifications include a Bachelor of Economics and post graduate diploma in Applied Finance and Investment.

Directors' Report

During the past three years, Mr Lees held the following directorship in another ASX listed company:

- Non-Executive Chairman of C29 Metals Ltd (current).

COMPANY SECRETARY | Hannah Cabatit

Hannah Cabatit is an employee of Mirador Corporate where she specializes in statutory financial reporting and company secretarial services. Hannah is a Certified Practising Accountant and has significant years of experience in senior accounting roles, company secretarial and compliance services for public listed and unlisted companies.

DIRECTORS' INTEREST IN THE COMPANY

The following table sets out each current Director's relevant interest in shares, options to acquire shares of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options
Jeremy King	700,144	2,550,000
Steven Groves	150,000	-
David Ian Lees	956,868	1,000,000
Total	1,807,012	3,550,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were mineral exploration in Australia and lithium exploration in Canada.

REVIEW AND RESULTS OF OPERATIONS

CANADIAN LITHIUM PROJECTS

During March 2023, Sultan announced it had entered into an agreement to acquire 100% interest in two highly prospective Canadian lithium projects in North Western Ontario, Canada, namely the Kember and Ruddy Project rights from XS Minerals Ltd. Subject to satisfying Conditions Precedent the Company agreed to issue:

(i) XSM a total of 34,905,660 fully paid ordinary shares ("Consideration Shares"), being AUD\$1,850,000 worth of fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.053 of the 10-day VWAP per Consideration Share, to be issued subject to shareholder approval;

(ii) XSM (and/or their nominee) AUD\$185,000 and CAD\$6,000 cash consideration; and

(iii) the Canadian Vendors CAD\$120,000 cash consideration.

Additionally, the Canadian Vendors were to retain a 1.5% New Smelter Royalty (NSR) for each of the Kember Project and the Ruddy Project. The NSR will have a buyback of 0.5% for CAD\$500,000 per project. A facilitation fee was payable comprised of 6% of the total value of the Consideration and a transaction management fee of AUD\$60,000.

Directors' Report

Settlement of the Acquisition was subject to Sultan completing a capital raising and obtaining all necessary regulatory and shareholder approvals, and the parties entering into the applicable royalty deeds in respect of the NSR. The Company subsequently undertook a capital raising of \$1,000,000 with oversubscriptions of up to \$500,000 through the issue of up to 30 million fully paid ordinary to sophisticated and professional investors at an issue price of AUD\$0.05 per new share.

The Company satisfied the Conditions Precedent and subsequently approved the acquisition of the Ruddy and Kember lithium projects at a General Meeting on 9 May 2023.

RUDDY PROJECT

Following desktop studies of the available data for the Ruddy Project, the Company advised that exploration had commenced in late June 2023, with experienced Canadian geological consultants, APEX Geoscience Ltd (APEX) conducting activities at its Ruddy Project in North Western Ontario (refer Figures 1, 2). At Ruddy, the Company had established a priority exploration target from the interpreted LCT Goldilocks Zone surrounded the Allison Lake Batholith which covers approximately 3.5km of east-west strike in the centre to south of the Company's Project.

Apex utilised four helicopter-supported geologists to conduct reconnaissance over the project, sampling priority outcrop, including pegmatitic occurrences for lithium and associated elements; and veining (for gold) where appropriate. Progress has been assisted by a recent burn in the area which has increased visibility from the air, although thick deadfall (stacked fallen trees) up to 1.5m height and new growth slowed ground traverses. Apex geologists observed multiple pegmatite occurrences of up to 30m outcrop and up to 15m width within the initial area of focus. Evidence of pegmatite fractionation minerals in the form of apatite or beryl were observed in the field from limited available outcrop, which is generally heavily covered by mosses and lichen.

Post-year end, the Company advised that Apex had collected a total of 157 samples over 8 days in the field, with over 35% (55 samples) taken from confirmed pegmatitic occurrences. The samples have been submitted to ALS laboratories in Canada for multi-element analysis including gold. The Company intends to use resultant lithium values and geochemical markers such as K/Rb ratios to focus additional fieldwork to discover possible covered mineralised LCT pegmatites.

The Company subsequently received complete field observations from Apex geologists and continues to work through the observations. In addition, analysis and interpretation by Sultan incorporated the field work of Fingas¹, whom spent 2 days 'straight-line' traversing a portion of the tenement in 2021 (refer Figure 4) as part of a larger pegmatite survey of the northern Allison Batholith area. Fingas noted 6 additional pegmatites outside the Apex pegmatite localities, and one coincident occurrence, highlighting the difficulty in observing outcrop at Ruddy and that more field work will be required after this first phase of reconnaissance. The combined observations support a priority zone of interest within the original LCT Goldilocks interpretation, radially distributed from the northern portion of the Allison Batholith.

Directors' Report

ABOUT THE RUDDY LITHIUM PROJECT

The Ruddy Project (Figures 1,2,3,4) directly abuts ground to the west held by Green Technology Metals Limited (ASX: GT1) and is located in the province of Ontario about 162km north-north-east of the town of Dryden. The Project covers around 10km² and sits on the northern extremity of the Allison Lake Batholith, a fertile intrusive responsible for the development of proximal fractionated pegmatites with potential to host lithium, caesium and tantalum (LCT) mineralisation^{1,2,3}.

Previous study of the area by the Ontario Geological Survey (Breaks et al 2003²) described the margin of the Allison Lake Batholith at the time as "...an important new exploration target for rare-element mineralization and is the largest such granite thus far documented in Ontario...". Breaks et al 2003² considered the margin of the Batholith had high potential for further discoveries of rare element mineralization that could occur in exo-contact, metasedimentary-hosted pegmatites or as internal pegmatites within the parent granite, particularly in light of the common regional zonation sequence of rare-element pegmatites from beryl-rich into lithium-rich types. This typically includes spodumene-type pegmatites in an interpreted 'LCT Goldilocks Zone' of increased fractionation from the parent granite. With recent renewed interest in rare element mineralisation, the prospective Allison Batholith has emerged as a fully staked, multi-company, battery mineral exploration region.

Reports by Green Technology Metals³ describe the identification of the spodumene-bearing Ouroboros Pegmatites approximately 10km southwest of the Ruddy Project (refer Figure 4) in a similar geological setting, which the Company considers highly encouraging. The Company intends to focus priority exploration at Ruddy at outcrop within the interpreted LCT Goldilocks Zone surrounding the Allison Lake Batholith, covering approximately 3.5km of east-west strike in the centre to south of the Company's Project.



Photo 1. View to Ruddy Project looking SSE, Ruddy Lake in foreground.

Directors' Report



Photo 2. Aerial view, pegmatite outcrops, Ruddy Project, Helicopter and pad visible RHS for scale.



Photo 3. Aerial view, pegmatite outcrop example, Ruddy Project, visible outcrop estimate 20-30m length.

Directors' Report



Figure 1: Location of Kember and Ruddy Projects in relation to known Lithium deposits, Northwest Ontario

N.B. PAK (TSXV:FL) total resource taken from NI43-101 instrument effective April 28, 2023

Mavis resource (ASX:CRR) taken from ASX release dated June 7, 2023

Root Bay, Seymour Lake and McCombe resources (ASX:GT1) taken from ASX release dated May 5, 2023

Georgia Lake (TSXV:RCK) total resource taken from Georgia Lake Project: Pre-Feasibility Study Nov 22, 2022

Separation Rapids (TSX:AVL) total resource taken from NI43-101 instrument effective Sept 26, 2018

Jackpot (Imagine Lithium- private) estimate taken from Ontario Mineral Inventory Record: MDI42E05SW00019; resource is historic and not compliant with formal resource reporting.

Directors' Report

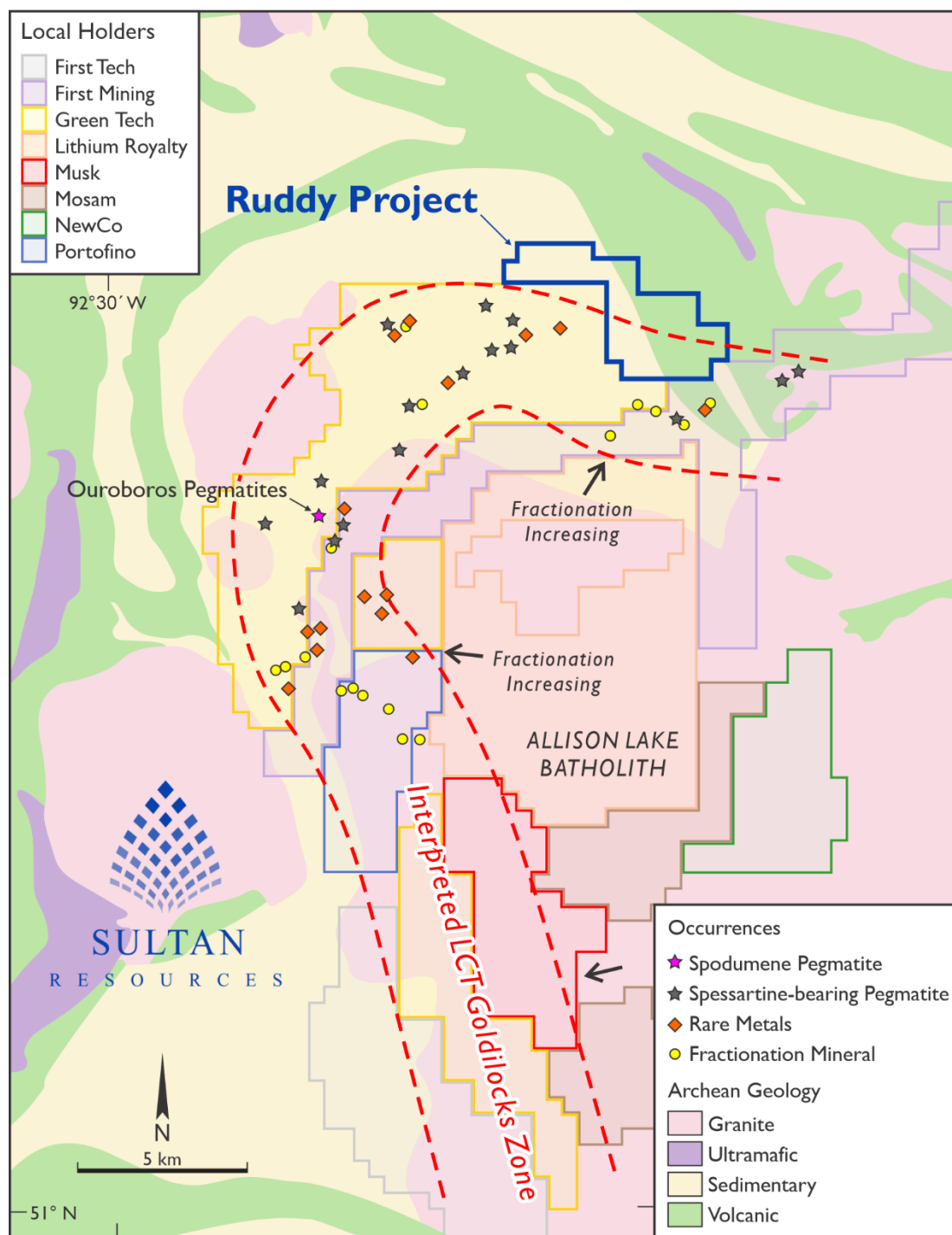


Figure 2: Location of Ruddy Project in relation to regional geology, known pegmatite occurrences (detail sourced from ASX:GT1 Announcement on 24/01/2022), and neighbouring tenure holders

Directors' Report

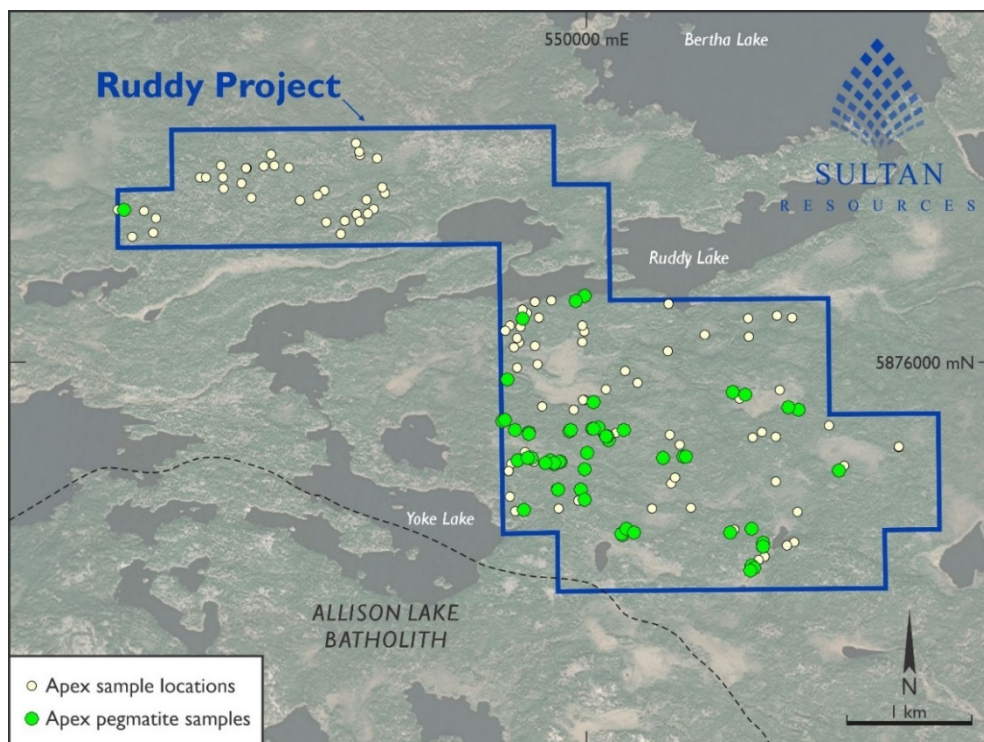


Figure 3: All sampled sites at Ruddy Project in relation to tenure at completion of June 2023 reconnaissance

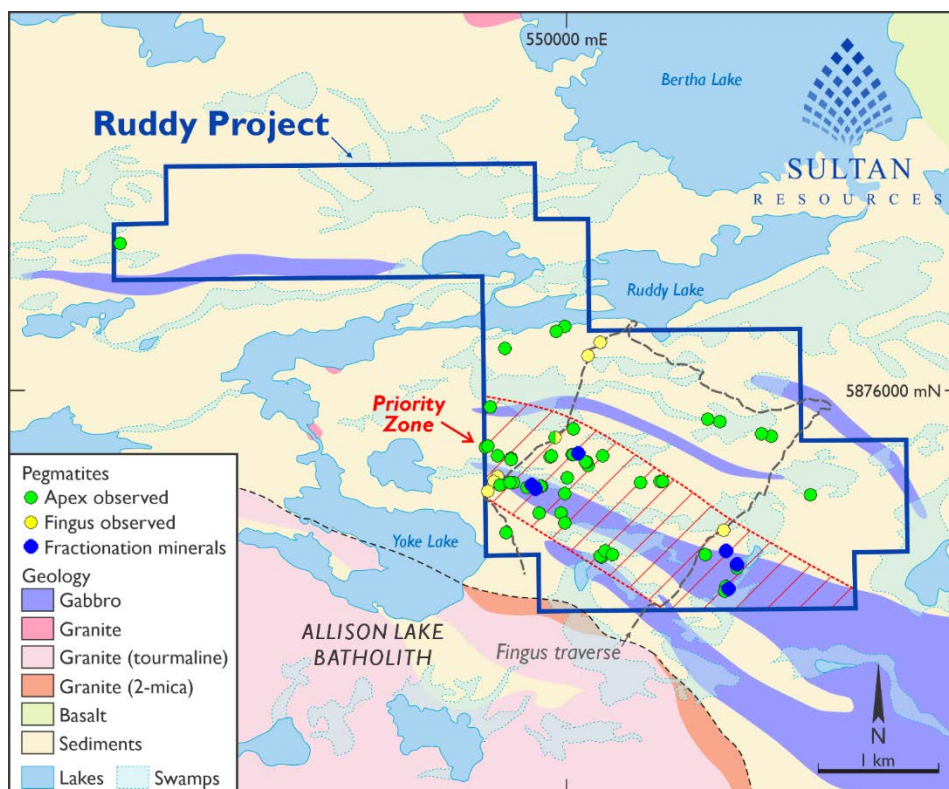


Figure 4: Observed Pegmatite sites at Ruddy Project; evolved pegmatites with fractionation minerals denoted by darker blue locations. Priority Zone area of focus for LCT Pegmatites in hatched area. Geology after Fingus, 2022.

Directors' Report

KEMBER PROJECT

At the Kember Project, the Company advised that a desktop review had highlighted a series of pegmatitic granite occurrences in mapping previously conducted at the Project, noted across an area around seven km in length and typically over a kilometre in width (refer Figure 5). These occurrences will form a focus of initial exploration activities at the Kember Project.

Although Kember on-ground reconnaissance was originally planned as an extension to the Ruddy exploration, the Company advised it had opted to delay reconnaissance activities at Kember after one of four First Nation groups with established rights in the area requested additional time to inform its members of planned activities. The Company will deliver a revised timetable for this exploration in due course, ideally to combine with mobilisation after receipt and assessment of Ruddy assay results.

ABOUT THE KEMBER LAKE LITHIUM PROJECT

The Kember Project (Figures 1 and 5) is located in the province of Ontario about 180km north of the town of Red Lake, covering an area of around 30km². Demonstrating the prospectivity of this area, the Kember Project is located about 8km from the PAK/Bolt/Spark lithium deposits of Frontier Lithium Inc. (Frontier) and is contiguous with this project tenure.

Recent drilling by Frontier intersected 398.25m of pegmatite averaging 1.88% Li₂O, including a 23.4m zone of 3.12% Li₂O (see TSX.V Announcement 8/02/2023). Frontier have also recently announced resources totalling 58.5Mt @ 1.51% Li₂O from its most recent NI43-101 instrument effective April 28th 2023, calculated from two of four known spodumene-bearing pegmatite occurrences within its PAK Project holdings.

There has been no recorded exploration over the Kember Project area, however, mapping by the Geological Survey of Ontario has historically recorded the presence of pegmatitic granites over a northwest to southeast zone around seven km in length and typically over a kilometre in width, providing an initial zone of interest.

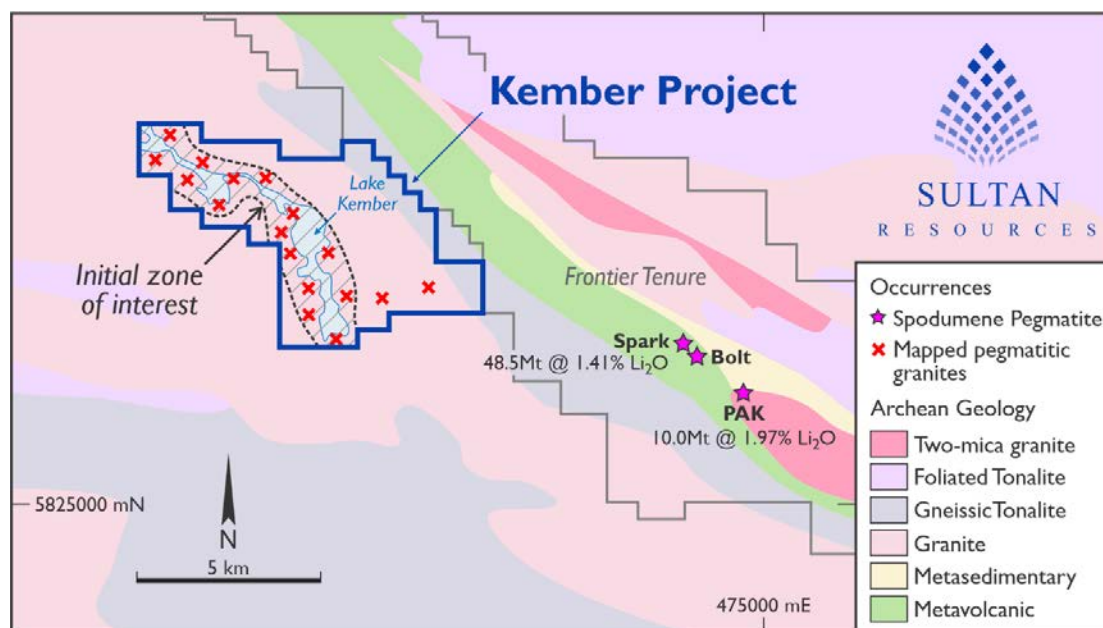


Figure 5: Location of Kember Project in relation to regional geology and known spodumene-hosted Lithium deposits, Northwest Ontario

Directors' Report

These pegmatitic granites will be the focus of initial reconnaissance of 5 to 7 days duration, with four helicopter-supported geologists from Canadian-based experienced geological consultants, APEX Geoscience conducting mapping and sampling of priority outcrop. The Company considers rare element mineralisation can occur associated with internal pegmatites within the parent granite. The Company will also conduct reconnaissance of the eastern edge of the project, closer to changes in granitic composition and contact morphologies.

References

1. Fingas, J, 2022: Assessment Report on Crown Land for the Costello Lake Area – 2021 Prospecting Program, dated May 25th 2022
2. Breaks, F.W., J.B. Selway J.B and A.G. Tindle A.G. 2003, Ontario Geological Survey, Open File Report 6099, Fertile Peraluminous Granites and Related Rare-Element Mineralization in Pegmatites, Superior Province, North-West and North-East Ontario: Operation Treasure Hunt
3. Green Technology Metals (ASX:GT1) ASX Announcement: "Strategic lithium footprint substantially expanded" dated 24/01/2022

For further detail on the Kember and Ruddy Projects please refer to the following:

Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Resources enters agreement to acquire 100% interest in highly prospective Canadian lithium exploration ground in Ontario, Canada" dated 17/03/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Completes Acquisition of Canadian Lithium Projects" dated 25/05/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Appoints Experienced Canadian Geological Team" dated 1/06/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Multiple mapped pegmatitic occurrences Kember Lithium Project" dated 14/06/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Multiple Pegmatite occurrences noted as exploration commences at Ruddy Project, North-Western Ontario" dated 26/6/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Priority Zone Identified at Ruddy Lithium Project, Ontario" dated 25/07/2023

WA PROJECTS

LAKE GRACE PROJECT:

The Lake Grace Project consists of five large tenements (E70/5081, 5082, 5085, 5095 and 5179- refer Figure 6) in the Southwest Terrane of Western Australia, containing the Kulin Hill Ni-Co Project in the North, and the Lake Grace Gold Project in the South, surrounding the Griffin's Find Gold Mine.

Rio Farm-in Tenement (E70/5082)

In June 2023 the Company announced that Rio Tinto Exploration Pty Limited (RTX) and Sultan had 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). 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 (Kulin Hill tenure on E70/5095).

Terms of the Option Agreement

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

At any time during the Option Period, RTX may elect to farm-in to the Option Tenure and earn an 80% joint venture interest in the Option Tenure by way of sole funding \$2m of exploration activity, including a minimum of 1,000m of RC and/or diamond drilling. RTX has 5 years to meet the minimum farm-in expenditure requirement but agrees that should it not be met by 3 years and should it wish to continue in the farm-in then it shall pay Sultan \$50,000 (provided that RTX has had reasonable access to the Option Tenure in order to conduct exploration activities).

Directors' Report

On meeting the farm-in expenditure and drilling requirements, a standard 80/20 contributing joint venture (JV) is formed. Should a party's interest in the JV dilute to below 10%, the other party may buyout the interest at fair market value or otherwise the interest shall be converted to a 1% net smelter royalty payable for the first 5 years of commercial production. For the duration of the Option Period, RTX is responsible for all rents and required expenditure on E70/5082 and is granted a right of first refusal over the sale or disposal by Sultan of the balance of its Lake Grace tenure package, namely E70/5095, E70/5085, E70/5081 and E70/5179.

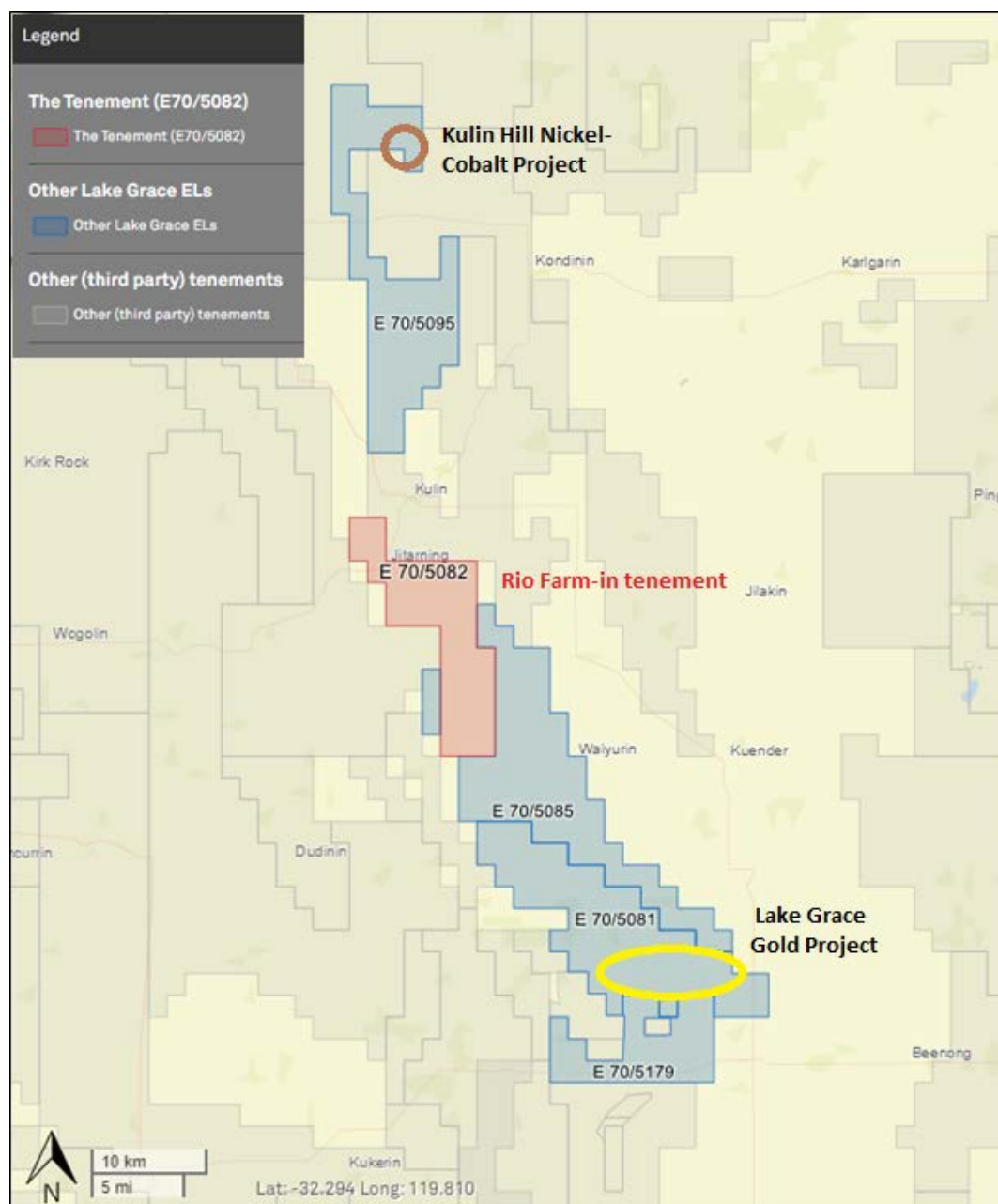


Figure 6: Overview Plan of Sultan's Southwest Terrance Lake Grace Project in WA

Post year-end, in August 2023, the Company announced that Sultan had contracted New Resolution Geophysics (NRG) to undertake a helicopter-borne Electromagnetic (EM) survey system to better assess a conductivity anomaly identified from existing broad-spaced EM data on E70/5082, SW of Kulin in WA.

Directors' Report

The heli-borne EM survey was being funded by Rio Tinto Exploration (RTX) pursuant to the recent option and farm-in arrangement between Sultan and RTX and utilised NRG's advanced "Xcite" system and be conducted at 100m line spacing, for a total of approximately 80 line km. The Company has contracted NRG 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 Figure 3), with acquisition of data commencing and expected to be completed today.

The target was initially identified by RTX geoscientists after review of existing wide-spaced (20km) airborne EM data. From modelling of the existing data, RTX identified a strong untested late time conductivity anomaly (refer Figure 7 below) in the northern part of E70/5082, coincident with a circular magnetic and radiometric anomaly (refer Figure 8 below), suggesting potential for magmatic nickel sulfide mineralisation. The new heli-borne EM survey was aimed at confirming the nature and extent of the conductivity anomaly before considering the merits and nature of any on-ground exploration to further assess and test the anomaly.

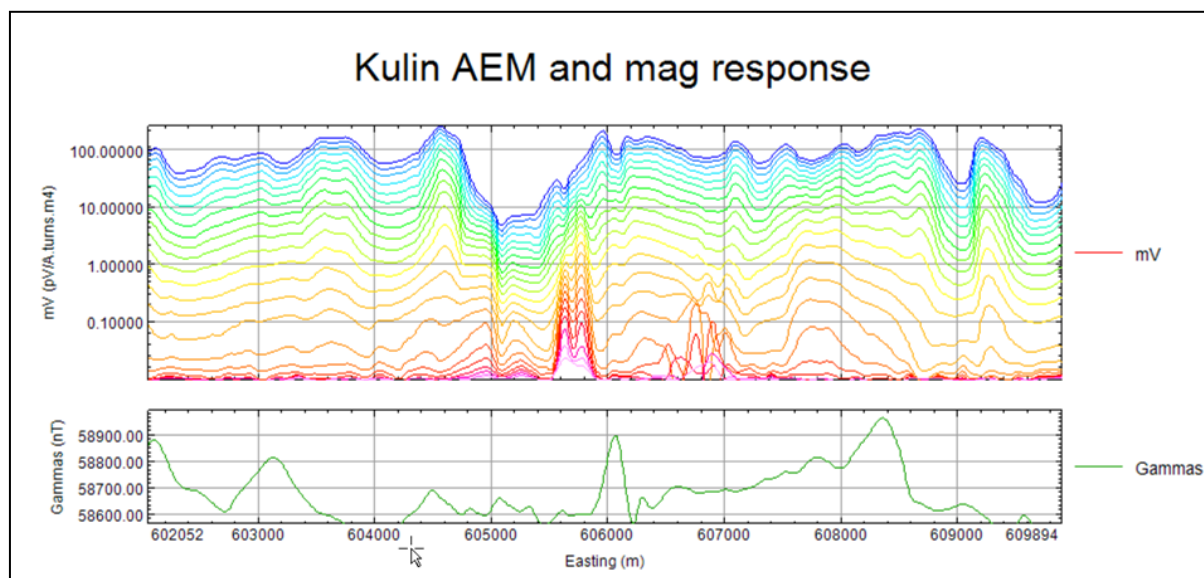


Figure 7: AEM conductivity response and magnetic (TMI) profile for AEM flight line over E70/5082

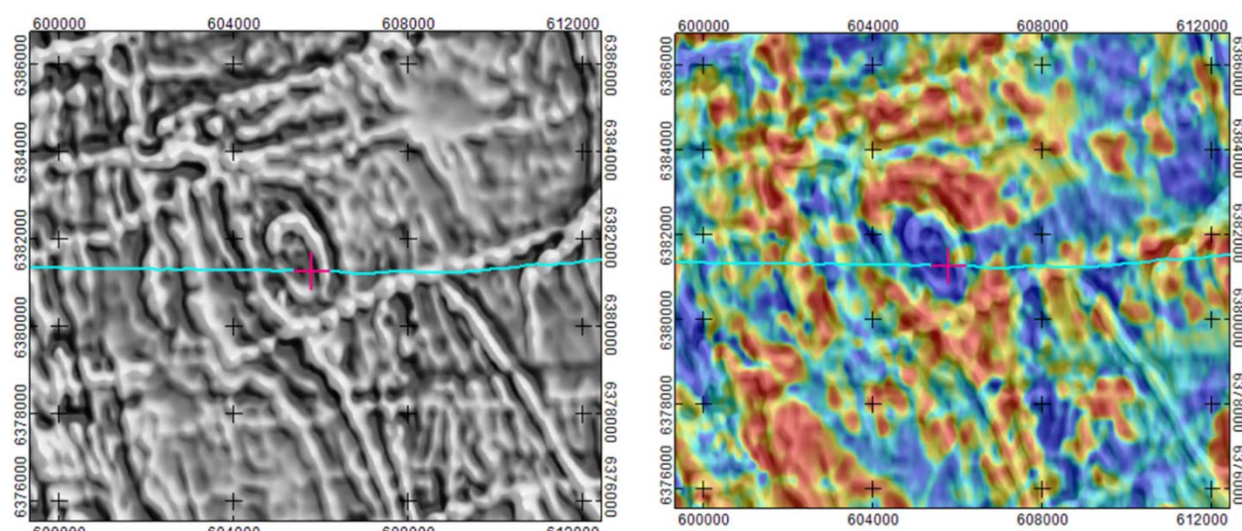


Figure 8: Existing AEM flight line (light blue), late time conductor (pink cross) on magnetic (RTP 1VD) image (left) and on thorium (radiometric survey) image (right)

Directors' Report

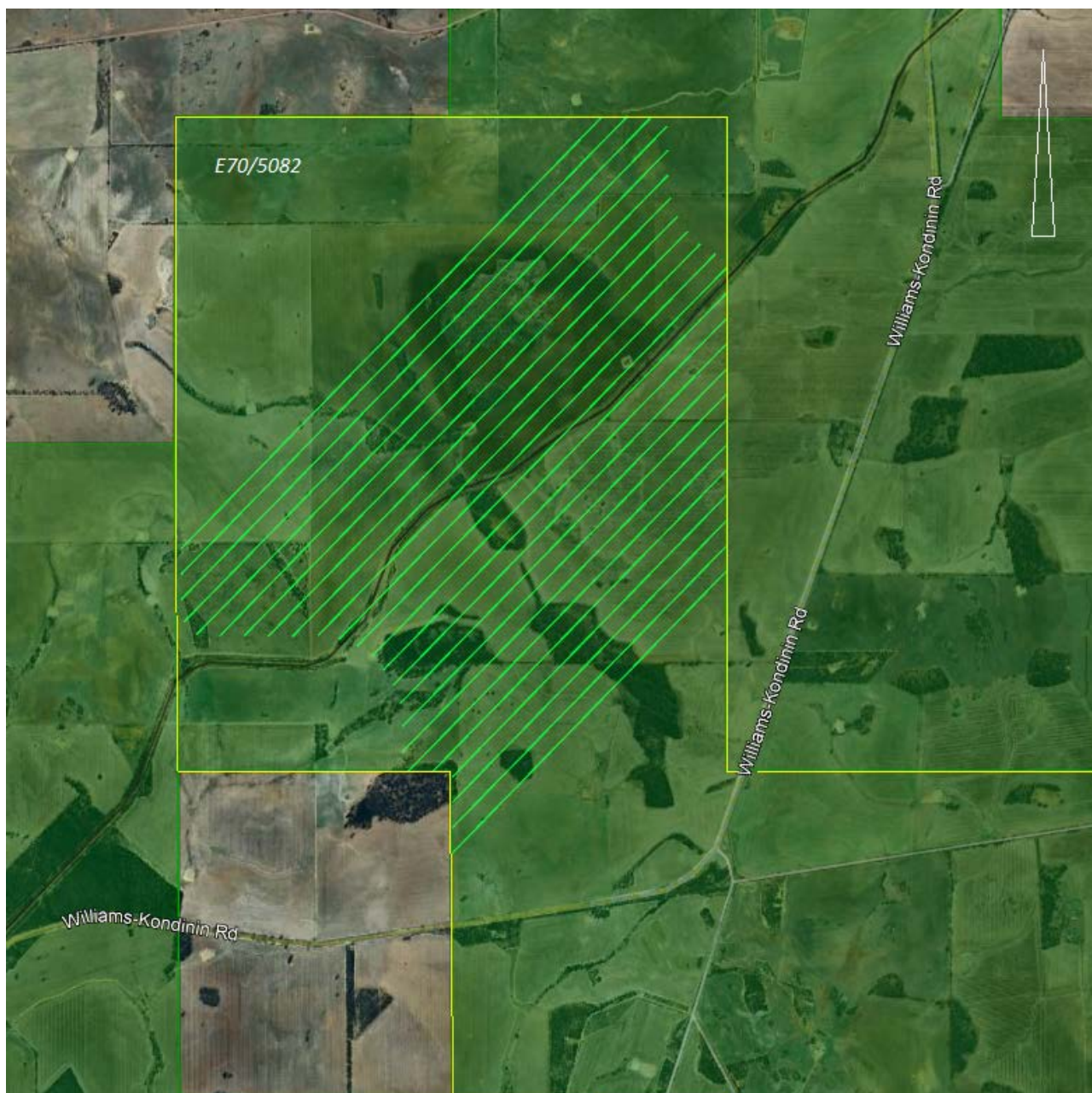


Figure 9: Planned HTDEM flight lines at 100m spacing in relation to E70/5082

Kulin Hill Nickel-Copper-PGE Project (E70/5095)

During late 2022, Sultan completed stratigraphic hole SLGDD001, a 489.4m diamond hole designed to partially test a portion of the Kulin Hill magnetic anomaly. Previous 2022 aircore drilling from available sites at the project by Sultan returned anomalous results of Ni, Cr, Mg, Fe, S and Co consistent with weathered ultramafic lithologies. The Company contends that further drilling into the ultramafic sequence will support that it is fertile and can host precipitated Ni-Co sulfides. The potential for Ni-Co sulfide mineralisation was suggested by historical drilling conducted on the edge of the sequence in 1967 and 1973, where drill core samples were observed in polished sections containing "...less than 1% of a nickel-cobalt-sulphide mineral (approximately 50% Ni, 5% Co)⁴". Observations from the historical drilling also supported some fractionation of the ultramafic at depth; that is, towards the untested central portion of the sequence.

Directors' Report

SLGDD001 Drill Hole Details

SLGDD001 was a deep (489.4m) stratigraphic diamond hole completed at Kulin Hill designed to investigate the nature of the layered ultramafic sequence beneath the weathering horizon, and to partially assess the potential for Ni-Co sulfide mineralisation associated with this type of sequence. SLGDD001 was collared in the vicinity of the 2022 drilled aircore holes and was drilled at -60° towards the southeast, targeting across a westernmost extremity of a strong magnetic body within the sequence (Figure 10).



Figure 10: Plan view of 1VD magnetic signature representing the ultramafic sequence overlain by aerial photography highlighting the salt lake, with Reserve 18455 (Lot 225568) highlighted in red. Sultan's 2022 aircore collars are marked in orange, and previous diamond drilling traces in yellow, with recent SLGDD001 named. Orange circles and traces indicate provisional drilling collar positions to test the layered intrusion correctly.

Directors' Report

Initial observations confirmed a significant thickness of the ultramafic/mafic target sequence was intersected down to 256m down hole, with a 40m interlayer of felsic gneiss at 153.5m (refer Figure 11), before passing into a series of mostly felsic and occasionally mafic gneisses. Weathering was observed to persist to about 70m down hole. A total of 160 samples were selected for analysis. Results from the unweathered target sequence were strongly indicative of ultramafic lithologies, summarised as: Nickel (Ni) content of 0.1-0.29% Ni; Chrome (Cr) content of 0.1-0.65% Cr; Magnesium oxide (MgO) content of 25-41% MgO; and Silica oxide (SiO₂) mostly below 35% SiO₂.

The drilling encountered a 6.8m (downhole length) lens of sheared mafic-ultramafic below the main ultramafic unit from 289.7m containing anomalous Pt and Pd (PGEs), Cu and S (Figure 11). In combination, these particular geochemical anomalies indicate the potential presence of sulfide in the sheared mafic-ultramafic lens and suggest the possibility of remobilisation of sulfide from an ultramafic source.

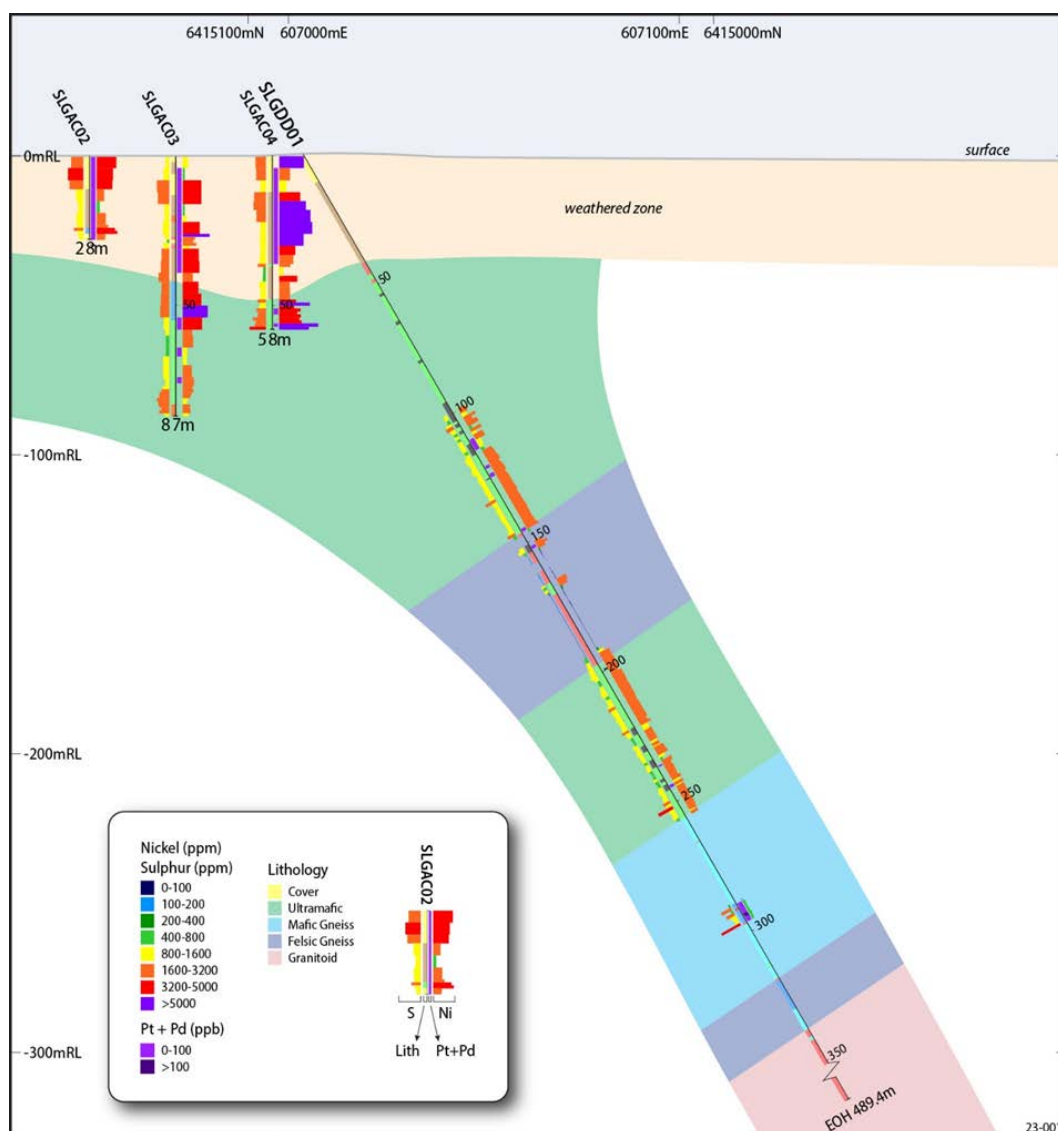


Figure 11: Cross-section of RC drill hole SLGD001 along with previous aircore drill holes SLGAC02, SLGAC03 and SLGAC04. Ni is displayed as a concentration based coloured histogram on the right-hand side of the drill string, sulphur (S) on the left-hand side of the drill string and Pt + Pd as a concentration based colour within the drill string.

Directors' Report

Together, the thick intersection of layered ultramafic geology along with evidence for the potential remobilisation of sulfides from an ultramafic source in SLGDD001, confirm the prospectivity of the 2.2km long main target for Ni-Co mineralisation. Interpretation of the geology intersected in SLGDD001 in the context of the greater Kulin Hill Project is ongoing.

Access to Reserve 18455

Negotiations to access the full extent of the target area for drilling, the majority of which extends beneath salt lake Reserve 18455 (refer Figure 10), have been ongoing since early 2022, with the Company receiving confirmation of access from DMIRS during late last year; however ground conditions for drilling activities have been unsuitable since receiving permission to drill. Recent reconnaissance over the project confirmed that the salt lake surface was currently impassable from seasonal rains and would require drying sufficiently to allow access, which the Company is currently planning for later in 2023. The Company is in communication with a suitable diamond drilling contractor with suitable depth and low angle capacity, small footprint including lightweight tracked mobility, and solids and water management capacity to responsibly undertake this work.

4. A Report 7659 "Final Report Corrigin Project, Electrolytic Zinc Company of Australasia Limited" dated 1973

For further detail on the Kulin Hill/ Lake Grace Nickel Project please refer to the following:

Sultan (ASX:SLZ) ASX Announcement: 2021 "WA Nickel Project Update" dated 3/06/2021
 Sultan (ASX:SLZ) ASX Announcement: 2021 "Drilling for WA Julimar-style Nickel Targets to Commence" dated 23/11/2021
 Sultan (ASX:SLZ) ASX Announcement: 2021 "Aircore Drilling Commenced at Lake Grace" dated 16/12/2021
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Aircore Drilling Recommences at Lake Grace" dated 12/01/2022
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Exploration Update" dated 3/02/2022
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Aircore Results for Kulin Hill Ni-Sulphide Target Received" dated 4/05/2022
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Sultan to Drill Nickel Targets" dated 22/06/2022
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Diamond Drill Hole Commences at Kulin Hill Nickel Project" dated 14/10/2022
 Sultan (ASX:SLZ) ASX Announcement: 2022 "Diamond Drill Hole Completed at Kulin Hill Nickel Project" dated 16/11/2022
 Sultan (ASX:SLZ) ASX Announcement: 2023 "Initial Geochemistry Confirms Target Geology at Kulin Hill" dated 17/02/2023
 Sultan (ASX:SLZ) ASX Announcement: 2023 "Kulin Hill Nickel - Diamond Hole Confirms Prospectivity" dated 19/04/2023

Lake Grace Gold Project (E70/5081, E70/5085, E70/5179)

Work conducted primarily consisted of desktop review of historical and recent work for additional exploration targets. Extensions of Term for these tenements and E70/5082 and E70/5095 have been submitted.

THADUNA PROJECT (E52/3481)

Work conducted primarily consisted of desktop review of historical and recent work for additional exploration targets. A five year Extension of Term for this tenement was granted late in the financial year.

LACHLAN FOLD BELT PROJECT, NSW (EL8734, EL8735, EL9070)

During the year, Sultan continued to review exploration data across its suite of porphyry and epithermal exploration targets in the Macquarie Arc volcanic rocks of the Lachlan Fold Belt, NSW (refer Figure 12), with the appointment of an experienced in-house Exploration Manager.

No field work was undertaken during the year, with further review required to define the next round of exploration and drill targets across the projects. Annual reporting was submitted, and EL8704 relinquished.

Directors' Report

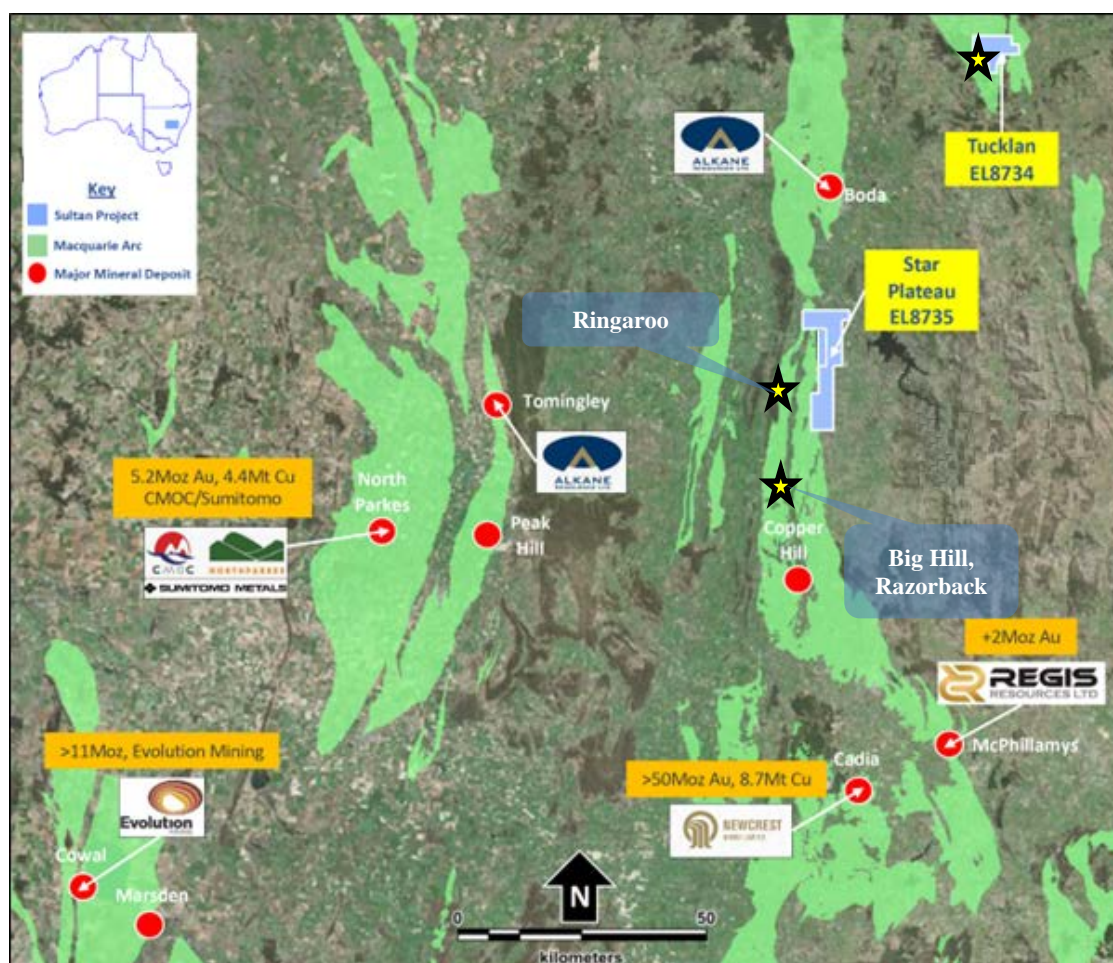


Figure 12: NSW- Sultan Tenements located over prospective Macquarie Arc sequence rocks with priority targets indicated.

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical and recent exploration information compiled by Mr Craig Hall, who is a Competent Person and a Member of the Australian Institute of Geoscientists and a fulltime employee of Sultan Resources Limited. 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 the reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

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

Directors' Report

CORPORATE

On 1 December 2022, the Company issued 17,200,000 unquoted options, exercisable at \$0.11 per option and expiring on 31 December 2027, to Directors and advisors as approved at the Annual General Meeting on 22 November 2022.

On 18 December 2022, 1,800,000 unquoted options exercisable at \$0.33 per option expired without exercise or conversion.

Canadian Lithium Acquisitions

On 17 March 2023, the Company announced it entered into a Binding Term Sheet ("Term Sheet") with XS Minerals Ltd ("XSM") to acquire two highly prospective lithium properties located in well-known lithium bearing districts in Ontario, Canada.

As agreed under the Term Sheet, the Company will acquire the Kember and Ruddy Project rights from XS Minerals Ltd, subject to satisfying the Conditions Precedent and agrees to issue:

- (i) XSM a total of 34,905,660 fully paid ordinary shares ("Consideration Shares"), being AUD\$1,850,000 worth of fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.053 of the 10-day VWAP per Consideration Share, as calculated for the 10 days prior to the date of the Term Sheet (subject to a floor price of AUD\$0.05) to be issued subject to shareholder approval;
- (ii) XSM (and/or their nominee) AUD\$185,000 and CAD\$6,000 cash consideration; and
- (iii) the Canadian Vendors CAD\$120,000 cash consideration.

Additionally, the Canadian Vendors will retain a 1.5% New Smelter Royalty (NSR) for each of the Kember Project and the Ruddy Project. The NSR will have a buyback of 0.5% for CAD\$500,000 per project. A facilitation fee is payable comprised of 6% of the total value of the Consideration and a transaction management fee of AUD\$60,000.

The acquisition of the Canadian lithium projects were approved by shareholders at the General Meeting held on 9 May 2023.

Capital Raising

On 29 March 2023, the Company successfully completed the first Tranche Placement and raised \$1 million before costs from sophisticated and professional investors. The Company issued 20 million fully paid ordinary shares in the Company at an issue price of \$0.05 per share.

On 24 May 2023, the Company successfully completed the second tranche of its recent Placement and issued 10 million fully paid ordinary shares at \$0.05 per share to raise \$500,000 before costs.

The Placement funds will be partially directed towards funding the acquisition of the two highly prospective Canadian lithium exploration projects whilst undertaking exploratory work to delineate drill targets with a maiden drill program. The Placement will also fund follow up drilling of the Company's existing Kulin Hill Nickel/Cobalt project, exploration of its existing Lachlan Fold Belt projects in NSW, Placement costs and for working capital.

The Joint Lead Managers for the Placement are Xcel Capital Pty Ltd and ARQ Capital Pty Ltd. Fees payable are 6% of the total value of the Placement. In addition, the Company will issue 7,500,000 unlisted options (exercisable at \$0.075, expiring on 30 June 2027. The Joint Lead Managers Options were approved by shareholders at the General Meeting held on 9 May 2023. The Options were issued on 26 May 2023.

Directors' Report

Rio Farm-in Tenement (E70/5082)

On 21 June 2023, the Company announced that Rio Tinto Exploration Pty Limited (RTX) and Sultan had 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 (Kulin Hill tenure on E70/5095).

Terms of the Option Agreement

The material terms of the Option Agreement are as follows:

- RTX pays Sultan \$25,000 and has the right to exclusively conduct a preliminary stage of exploration over the Option Tenure for 6 months (**Option Period**).
- At its election, RTX may extend the Option Period by an additional 6 months, by paying Sultan a further \$25,000.
- At any time during the Option Period, RTX may elect to farm-in to the Option Tenure and earn an 80% joint venture interest in the Option Tenure by way of sole funding \$2m of exploration activity, including a minimum of 1,000m of RC and/or diamond drilling.
- RTX has 5 years to meet the minimum farm-in expenditure requirement but agrees that should it not be met by 3 years and should it wish to continue in the farm-in then it shall pay Sultan \$50,000 (provided that RTX has had reasonable access to the Option Tenure in order to conduct exploration activities).
- On meeting the farm-in expenditure and drilling requirements, a standard 80/20 contributing joint venture (**JV**) is formed. Should a party's interest in the JV dilute to below 10%, the other party may buyout the interest at fair market value or otherwise the interest shall be converted to a 1% net smelter royalty payable for the first 5 years of commercial production.
- For the duration of the Option Period, RTX is responsible for all rents and required expenditure on E70/5082 and is granted a right of first refusal over the sale or disposal by Sultan of the balance of its Lake Grace tenure package, namely E70/5095, E70/5085, E70/5081 and E70/5179.

Financial Performance

The financial results of the consolidated entity for the year ended 30 June 2023 and 30 June 2022 are:

	30-June-23	30-June-22
	\$	\$
Cash and cash equivalents	1,346,030	1,623,321
Net assets	9,958,450	7,556,858
Revenue and other income	66,499	510
Net loss after tax	(1,758,018)	(986,983)

DIVIDENDS

No dividend is recommended in respect of the current financial year (2022: nil).

Directors' Report

REVIEW OF BUSINESS RISKS

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

The Board reviews the risks of the Group and the action plans to address these risks on a regular basis.

a) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining. In addition, difficulties in commissioning and operating plant and equipment include mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, health incidents including pandemic diseases like COVID-19 (coronavirus), industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

b) Environmental Risks

The operations and proposed activities of the Company are subject to the environmental laws and regulations. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

c) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i) general economic outlook;
- ii) introduction of tax reform or other new legislation;
- iii) interest rates and inflation rates;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital; and
- vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

e) Additional requirements for capital

The Company must have sufficient capital to fund its exploration activities, along with other working capital requirements. At the reporting date it has cash and cash equivalents of approximately \$1.35 million.

Directors' Report

Any additional equity financing will dilute shareholdings, and additional debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

f) Speculative investment

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs during the financial year other than those included in this Directors' Report.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 7 August 2023, 6,000,000 unlisted options, exercisable at \$0.24, expired without exercise or conversion.

Other than above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Future Exploration

The Group's main exploration efforts will be focussed on continuing to develop value from exploration across its tenements.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Number Eligible to Attend	Number Attended
Mr Jeremy King	4	4
Mr Steven Groves	4	4
Mr David Ian Lees	4	4

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Group, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

Directors' Report

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during or since the end of the financial period were:

Mr Jeremy King	Non-Executive Chairman
Mr Steven Groves	Non-Executive Director
Mr David Ian Lees	Non-Executive Director

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Voting and comments made at the Company's 2022 Annual General Meeting
- I Loans with KMP
- J Other Transactions with KMP
- K Additional Information

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors, and at present there are no other persons employed by the Group in an executive capacity.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year ended 30 June 2023 and 30 June 2022.

Directors' Report

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than \$500,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Group and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive Directors is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Group policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Group has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

Directors' Report

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") of the Company as at 30 June 2023 and 30 June 2022.

	30-Jun-23	30-Jun-22
Revenue and other income (\$)	66,499	510
Net loss after tax (\$)	(1,758,018)	(986,983)
EPS (cents)	(1.89)	(1.31)

Relationship between Remuneration and Group Performance

Given the current phase of the Group's development, the Board does not consider earnings during the current financial period when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- Fixed Remuneration – base salary
- Variable Short-Term Incentives
- Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this period. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to KMP annually, subject to the requisite Board and shareholder approvals where applicable. Cash bonus payments paid to Directors during the year are detailed in Table 1 below.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion. Unlisted and listed options issued to Directors during the year are detailed in Table 4 below.

Other than the options disclosed in section D of the Remuneration Report, there have been no other options issued to employees at the date of this financial report.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Directors' Report

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2023 is set out below:

	Short-term Employee Benefits			Post-Employment	Share-Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options (iii)	
30 June 2023	\$	\$	\$	\$	\$	\$
Directors						
Jeremy King	60,000	-	40,000 ⁽ⁱ⁾	6,300	139,279	245,579
Steve Groves	40,000	-	3,000 ⁽ⁱⁱ⁾	4,200	-	47,200
David Ian Lees	40,000	-	-	4,200	54,619	98,819
Total	140,000	-	43,000	14,700	193,898	391,598

- (i) Consulting fees paid to Mr King for additional services provided to the Company including project management for the acquisition of the Canadian lithium assets and farm-in transaction with Rio Tinto.
- (ii) Consulting fees paid to Mr Groves for additional exploration services provided to the Company.
- (iii) As approved at the Annual General Meeting ('AGM') on 22 November 2022, the Company issued 2,550,000 unlisted options to Mr King and 1,000,000 unlisted options to Mr Lees. The unlisted options are exercisable at \$0.11 per option and expiry on 31 December 2027. Refer to Note 15 Share-Based Payments Expense for further details.

Table 2 – Remuneration of KMP of the Group for the year ended 30 June 2022 is set out below:

	Short-term Employee Benefits			Post-Employment	Share-Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2022	\$	\$	\$	\$	\$	\$
Directors						
Steven Groves	175,669 ⁽ⁱ⁾	-	-	17,567	-	193,236
David Ian Lees	40,000	-	-	4,000	-	44,000
Jeremy King	60,000	-	-	6,000	-	66,000
Total	275,669	-	-	27,567	-	303,236

- (i) Cash salary and fees includes fees paid or due to be paid and movement in annual leave entitlements for the year.

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Directors' Report

Table 3 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2023	2022	2023	2022	2023	2022
Directors						
Jeremy King	27%	100%	16%	-	57%	-
Steve Groves	94%	100%	6%	-	-	-
David Ian Lees	45%	100%	-	-	55%	-

Table 4 – Shareholdings of KMP (direct and indirect holdings) for the year ended 30 June 2023 is set out below:

30 June 2023	Balance at 1/07/2022	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2023
Directors					
Jeremy King	700,144	-	-	-	700,144
Steve Groves	150,000	-	-	-	150,000
David Ian Lees	956,868	-	-	-	956,868
Total	1,807,012	-	-	-	1,807,012

Table 5 – Optionholdings of KMP (direct and indirect holdings) for the year ended 30 June 2023 is set out below:

30 June 2023	Balance at 1/07/2022	Granted as Remuneration	On Exercise of Options	Net Change – Other ⁽ⁱ⁾	Balance at 30/06/2023
Directors					
Jeremy King	1,000,000	2,550,000	-	(1,000,000)	2,550,000
Steve Groves	400,000	-	-	(400,000)	-
David Ian Lees	400,000	1,000,000	-	(400,000)	1,000,000
Total	1,800,000	3,550,000	-	(1,800,000)	3,550,000

- (i) On 18 December 2022, 1,800,000 unlisted options, exercisable at \$0.33 per option, expired without exercise or conversion.

E Contractual Arrangements

❖ Jeremy King – Non-Executive Chairman

- Contract: Commenced on 1 June 2018.
- Director's Fee: \$60,000 per annum plus statutory superannuation.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

❖ Steven Groves – Non-Executive Director

- Contract: Commenced on 1 June 2018.
- Director's Fee: \$40,000 per annum plus statutory superannuation.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

❖ David Ian Lees– Non-Executive Director

- Contract: Commenced on 13 March 2019.
- Director's Fee: \$40,000 per annum plus statutory superannuation.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

Directors' Report

Note 1: The term of each Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at the meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

F Share-based Compensation

The Group rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

As approved at the Annual General Meeting ('AGM') on 22 November 2022, the Company issued 2,550,000 unlisted options to Mr King and 1,000,000 unlisted options to Mr Lees. The unlisted options are exercisable at \$0.11 per option and expiry on 31 December 2027. The incentive options were issued to Directors to motivate and reward performance in their roles as Directors.

Director	Number of Options Granted	Grant Date	Fair Value per Option at Grant Date	Exercise Price	Vested date and exercisable date	Expiry Date
Mr Jeremy King						
Unlisted Options	2,550,000	22/11/2022	\$0.055	\$0.11	22/11/2022	31/12/2027
Mr David Lees						
Unlisted Options	1,000,000	22/11/2022	\$0.055	\$0.11	22/11/2022	31/12/2027

At the date of this report, the unissued ordinary shares of the Company under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Shares

Short and Long-term Incentives

No short or long-term incentive-based shares were issued as remuneration to Directors during the current financial year.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year (2022: Nil).

H Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.17% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

I Loans with KMP

There were no loans during the year ended 30 June 2023 (2022: Nil).

Directors' Report

J Other Transactions with KMP

The following transactions occurred with related parties:

Related Party Transactions	2023 \$	2022 \$
The following related party transactions were made during the year:		
Company secretarial & financial management services paid to: Mirador Corporate Pty Ltd ⁽ⁱ⁾	119,275	125,850
Office rental fee paid to: Mirador Corporate Pty Ltd ⁽ⁱ⁾	33,000	-
Office rental fee paid to: Red Mountain Mining Limited ⁽ⁱⁱ⁾	-	37,500

- (i) An entity in which Jeremy King is a Director. As at 30 June 2023, there was nil payable or prepaid (2022: Nil).
- (ii) An entity in which Jeremy King was previously a Director.

All transactions were made on normal commercial terms and conditions and at market rates.

There were no other transactions with KMP during the year ended 30 June 2023.

K Additional Information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Other income	66,499	510	15,499	33,424	26,486
EBITDA	(1,758,018)	(987,493)	(894,347)	(832,030)	(874,197)
EBIT	(1,758,018)	(987,493)	(894,347)	(832,030)	(874,197)
Loss after income tax	(1,758,018)	(986,983)	(888,848)	(855,454)	(874,197)
Share Price (\$)	\$0.046	\$0.094	\$0.195	\$0.135	\$0.059
EPS (cents per share)	(1.89)	(1.31)	(1.35)	(1.79)	(2.53)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2023	2022	2021	2020	2019
Share Price at the financial year (\$)	\$0.046	\$0.094	\$0.195	\$0.135	\$0.059
Total dividends declared	-	-	-	-	-
EPS (cents per share)	(1.89)	(1.31)	(1.35)	(1.79)	(2.53)

End of Audited Remuneration Report.

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2023 has been received and included within these financial statements.

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 17,200,000 unlisted options expiring 31 December 2027, exercisable at \$0.11 per option.
- 7,500,000 unlisted options expiring 30 June 2027, exercisable at \$0.075 per option.

Directors' Report

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options.

NON-AUDIT SERVICES

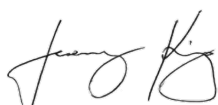
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 20 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Jeremy King
Non-Executive Chairman
28 September 2023

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Sultan Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 28 September 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue from continuing operations			
Other income	4	66,499	510
Expenses			
Administrative expenses	5(a)	(295,048)	(285,605)
Compliance and regulatory expenses		(72,521)	(41,842)
Consultancy and legal expenses	5(b)	(197,494)	(159,637)
Employee benefits expense		(203,216)	(153,547)
Exploration expenses		(62,550)	(14,184)
Impairment expenses	10	(24,151)	(321,991)
Share-based payment expense	15	(939,449)	-
Other expenses		(30,088)	(10,687)
Loss from continuing operations before income tax		(1,758,018)	(986,983)
Income tax expense	6	-	-
Loss from continuing operations after income tax		(1,758,018)	(986,983)
Other comprehensive loss			
Other comprehensive loss for the year, net of income tax		-	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss attributable to the members of Sultan Resources Limited		(1,758,018)	(986,983)
Loss per share for the year attributable to the members Sultan Resources Limited:			
Basic loss per share (cents)	7	(1.89)	(1.31)
Diluted loss per share (cents)	7	(1.89)	(1.31)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Annual Report | 30 June 2023

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,346,030	1,623,321
Trade and other receivables	9	141,135	72,426
Total current assets		1,487,165	1,695,747
Non-current assets			
Exploration and evaluation expenditure	10	8,632,582	5,988,783
Total non-current assets		8,632,582	5,988,783
Total assets		10,119,747	7,684,530
LIABILITIES			
Current liabilities			
Trade and other payables	11	153,831	118,205
Provisions	12	7,466	9,467
Total current liabilities		161,297	127,672
Total liabilities		161,297	127,672
Net assets		9,958,450	7,556,858
EQUITY			
Contributed equity	13	13,354,207	10,251,763
Reserves	14	2,117,467	1,060,301
Accumulated losses		(5,513,224)	(3,755,206)
Total equity		9,958,450	7,556,858

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Annual Report | 30 June 2023

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2022	10,251,763	1,060,301	(3,755,206)	7,556,858
Loss for the year	-	-	(1,758,018)	(1,758,018)
Total comprehensive loss for the year after tax	-	-	(1,758,018)	(1,758,018)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	3,350,000	-	-	3,350,000
Share issue costs	(247,556)	-	-	(247,556)
Share-based payments	-	1,057,166	-	1,057,166
At 30 June 2023	13,354,207	2,117,467	(5,513,224)	9,958,450

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2021	8,261,375	1,060,301	(2,768,223)	6,553,453
Loss for the year	-	-	(986,983)	(986,983)
Total comprehensive loss for the year after tax	-	-	(986,983)	(986,983)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	2,200,000	-	-	2,200,000
Share issue costs	(209,612)	-	-	(209,612)
Share-based payments	-	-	-	-
At 30 June 2022	10,251,763	1,060,301	(3,755,206)	7,556,858

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(786,371)	(666,907)
Interest received		4,184	510
Grants received		12,315	-
Other Income		25,000	-
Payments made for exploration expenditure		(84,630)	(14,182)
Net cash used in operating activities	8 (a)	(829,502)	(680,579)
Cash flows from investing activities			
Payments made for exploration and evaluation		(817,950)	(1,239,506)
Net cash used in investing activities		(817,950)	(1,239,506)
Cash flows from financing activities			
Proceeds from the issue of shares		1,500,000	2,200,000
Share issue costs		(129,839)	(209,612)
Net cash from financing activities		1,370,161	1,990,388
Net (decrease) / increase in cash and cash equivalents		(277,291)	70,303
Cash and cash equivalents at the beginning of the year		1,623,321	1,553,018
Cash and cash equivalents at the end of the year	8	1,346,030	1,623,321

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting Entity**

Sultan Resources Limited (referred to as "Company" or "parent entity") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation***Statement of compliance***

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss for the year of \$1,758,018 and had net cash outflows from operating activities and investing activities of \$829,502 and \$817,950 respectively for the year ended 30 June 2023. As at that date the Group had net current assets of \$1,325,868 including cash and cash equivalents of \$1,346,030.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group's ability to issue additional share under the Corporation Act 2002 to raise further working capital; and
- The Group has the ability to scale down its operations in order to curtail expenditure, so as to ensure that the cash available is sufficient to meet projected expenditure.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 22.

New and revised Accounting Standards and Interpretations adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Australian Accounting Standards or Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted for the annual reporting period ended 30 June 2023. The Group has not assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Comparatives

Comparative balances for the Group are for the financial period 30 June 2022.

(d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sultan Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Sultan Resources Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(e) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Current and Non-Current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(g) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(h) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Exploration and evaluation expenditure

Exploration and evaluation expenditure have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Notes to the Consolidated Financial Statements
NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONTINUED)
Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees or suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Hoadley ES02 model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 3 SEGMENT INFORMATION

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

On this basis, the Group's reportable segments under AASB Operating Segments are the Group's activities in Australia and Canada. Information regarding the Group's reportable segments is presented below.

Year ended 30 June 2023	Australia	Canada	Other	Total
	\$	\$	\$	\$
Other income	62,315	-	4,184	66,499
Exploration expenditure	(62,550)	-	-	(62,550)
Impairment expense	(24,151)	-	-	(24,151)
Share-based payments expense	-	-	(939,449)	(939,449)
Administration and other expense	-	-	(798,367)	(798,367)
Loss before income tax	(24,386)	-	(1,733,632)	(1,758,018)
Income tax expense	-	-	-	-
Loss after income tax	(24,386)	-	(1,733,632)	(1,758,018)
Total Segment Assets	6,259,174	2,373,408	1,487,165	10,119,747
Total Segment Liabilities	-	-	161,297	161,297
Year ended 30 June 2022	Australia	Canada	Other	Total
	\$	\$	\$	\$
Other income	-	-	510	510
Exploration expenditure	(14,184)	-	-	(14,184)
Impairment expense	(321,991)	-	-	(321,991)
Share-based payments expense	-	-	-	-
Administration and other expense	-	-	(651,318)	(651,318)
Loss before income tax	(336,175)	-	(650,808)	(986,983)
Income tax expense	-	-	-	-
Loss after income tax	(336,175)	-	(650,808)	(986,983)
Total Segment Assets	5,988,783	-	1,695,747	7,684,530

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Notes to the Consolidated Financial Statements

NOTE 4 REVENUE AND OTHER INCOME

	2023	2022
	\$	\$
Grant income	37,315	-
Interest income	4,184	510
Option fee ⁽ⁱ⁾	25,000	-
	66,499	510

(i) Option fee for E70/5082 farm-in agreement with Rio Tinto Exploration Pty Ltd ('RTX').

Accounting Policy

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

NOTE 5 EXPENSES

	2023	2022
	\$	\$
(a) Administrative and corporate expenses		
Accounting, audit and company secretarial fees	163,006	149,022
Rent expenses	33,000	45,750
Marketing fees	55,182	48,000
Travel expenses	10,826	-
General and administration expenses	33,034	42,833
	295,048	285,605
	2023	2022
	\$	\$
(b) Consultancy and legal expenses		
Consulting fees	172,500	157,500
Legal fees	24,994	2,137
	197,494	159,637

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX

	2023 \$	2022 \$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(1,758,018)	(986,983)
Prima facie tax benefit on loss before income tax at 25% (2022: 30%)	(439,505)	(296,095)
Tax effect of:		
Amounts not deductible in calculating taxable income	234,862	-
Changes in unrecognised temporary differences	(168,061)	(388,236)
Tax losses and temporary differences not recognised	372,704	684,331
Income tax expense	-	-
(c) Deferred tax assets not brought to account are:		
Accruals/ Provisions	7,617	15,245
Prepayment	(11,998)	(5,700)
Exploration related expenditure	(1,146,139)	(1,249,807)
Business blackhole expenditure	67,716	107,457
Capital tax losses	83,897	100,677
Revenue tax losses	2,332,979	2,352,919
Total deferred tax assets not brought to account	1,334,072	1,320,791

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

The benefit for tax losses will only be obtained if:

- (i) The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) There are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2023, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Notes to the Consolidated Financial Statements**NOTE 6 INCOME TAX (CONTINUED)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes to the Consolidated Financial Statements
NOTE 7 LOSS PER SHARE (CONTINUED)

	2023 \$	2022 \$
Net loss for the year	(1,758,018)	(986,983)
Weighted average number of ordinary shares for basic and diluted loss	92,864,125	75,109,731

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position. The convertible notes issued during the year were not dilutive, so the calculation excludes the impact of the shares potentially issuable. Consequently, the dilutive earnings per share is equivalent to the basic earnings per share.

Continuing operations

- Basic and diluted loss per share (cents)	(1.89)	(1.31)
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Accounting Policy
Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 8 CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash at bank and in hand	1,172,298	1,449,772
Short-term deposit	173,732	173,549
	1,346,030	1,623,321

(a) Reconciliation of net loss after tax to net cash outflows from operations

Loss for the financial year	(1,758,018)	(986,983)
<i>Adjustments for:</i>		
Share-based payments	939,449	-
Impairment expense	24,151	321,992
<i>Changes in assets and liabilities</i>		
Trade and other receivables	(68,709)	55,744
Trade and other payables	35,627	(76,830)
Provisions	(2,002)	5,498
Net cash used in operating activities	(829,502)	(680,579)

Notes to the Consolidated Financial Statements
NOTE 8 CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Non-cash investing and financing activities	2023 \$	2022 \$
Acquisition of exploration and evaluation assets	1,850,000	-
	1,850,000	-

Accounting Policy

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

NOTE 9 TRADE AND OTHER RECEIVABLES	2023 \$	2022 \$
Trade Receivables	27,500	-
GST receivable	65,642	23,427
Prepayments	47,993	48,999
	141,135	72,426

Allowance for expected credit losses

The Group did not recognise any loss in the profit or loss in respect of the expected credit losses for the year ended 30 June 2023 and 30 June 2022.

Accounting Policy
Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or the assets or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST on investing and financial activities, which are disclosed as operating cash flows.

Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Notes to the Consolidated Financial Statements
NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

	2023 \$	2022 \$
Carrying amount of exploration and evaluation expenditure	8,632,582	5,988,783
At the beginning of the year	5,988,783	5,071,270
Exploration expenditure incurred during the year	817,950	1,239,504
Acquired through share consideration	1,850,000	-
Impairment expense	(24,151)	(321,991)
At the end of the year	8,632,582	5,988,783

Accounting Policy

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

NOTE 11 TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Trade payables	117,627	51,074
Accrued expenses	23,000	41,349
Other payables	13,204	25,782
	153,831	118,205

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Accounting Policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 12 PROVISIONS

	2023 \$	2022 \$
Annual leave provision	1,603	-
Superannuation liability	5,863	9,467
	7,466	9,467

Notes to the Consolidated Financial Statements

NOTE 12 PROVISIONS (CONTINUED)

Accounting Policy

Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution plans are expensed in the period in which they are incurred.

NOTE 13 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2023		2022	
	No.	\$	No.	\$
Ordinary shares	148,190,049	13,354,207	83,284,389	10,251,763

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Movement reconciliation

	Date	Number	Issue Price	\$
At 30 June 2021		69,534,389		8,261,375
Shares issued	02/02/2022	13,750,000	\$0.160	2,200,000
Capital raising costs		-	-	(209,612)
At 30 June 2022		83,284,389		10,251,763
Placement – Tranche 1	29/03/2023	20,000,000	\$0.050	1,000,000
Placement – Tranche 2	23/05/2023	10,000,000	\$0.050	500,000
Consideration Shares – XS Minerals Ltd	25/05/2023	34,905,660	\$0.053	1,850,000
Share issue costs		-	-	(247,556)
At 30 June 2023		148,190,049		13,354,207

Accounting Policy

Ordinary shares are classified as equity.

Notes to the Consolidated Financial Statements
NOTE 13 CONTRIBUTED EQUITY (CONTINUED)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTE 14 RESERVES

	2023	2022
	\$	\$
Share-based payments reserve	<u>2,117,467</u>	<u>1,060,301</u>
Movement reconciliation		
<i>Share-based payment reserve</i>		
Balance at the beginning of the year	1,060,301	1,060,301
Equity settled share-based payment transactions (Note 15)	1,057,166	-
Balance at the end of the year	<u>2,117,467</u>	<u>1,060,301</u>

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

NOTE 15 SHARE-BASED PAYMENTS

	2023	2022
	\$	\$
Unlisted options issued to Directors	193,898	-
Unlisted options issued for geologist services	-	-
Unlisted options issued to Lead Manager	863,268	-
	<u>1,057,166</u>	<u>-</u>
Reconciliation:		
Recognised as share-based payment expenses in the Statement of Profit or Loss and Other Comprehensive Income	939,449	-
Recognised as share issue costs in equity	117,717	-
	<u>1,057,166</u>	<u>-</u>

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Notes to the Consolidated Financial Statements

NOTE 15 SHARE-BASED PAYMENTS (CONTINUED)

Unlisted Options

Set out below is a summary of unlisted options granted as share-based payments during the year:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10-12-2020	18-12-2022	\$0.33	1,800,000	-	-	(1,800,000)	-
24-06-2020	07-08-2023	\$0.24	6,000,000	-	-	-	6,000,000
22-11-2022	31-12-2027	\$0.11	-	17,200,000	-	-	17,200,000
09-05-2023	30-06-2027	\$0.075	-	7,500,000	-	-	7,500,000
			7,800,000	24,700,000	-	(1,800,000)	30,700,000
Weighted average exercise price \$0.13							

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.52 years.

All unlisted options vested immediately.

The unlisted options issued during the year have been valued using the Hoadley ESO2 Valuation Model. The model and assumptions are shown in the table below:

Hoadley ESO2 Valuation Model				
	Directors – Jeremy King	Director – David Lees	Lead Manager	Lead Manager
Grant Date	22/11/2022	22/11/2022	22/11/2022	09/05/2023
Expiry Date	31/12/2027	31/12/2027	31/12/2027	30/06/2027
Strike (Exercise) Price	\$0.11	\$0.11	\$0.11	\$0.08
Underlying Share Price (at date of issue)	\$0.095	\$0.095	\$0.095	\$0.037
Risk-free Rate (at date of issue)	3.36%	3.36%	3.36%	3.13%
Volatility	70%	70%	70%	75%
Number of Options Issued	2,550,000	1,000,000	13,650,000	7,500,000
Dividend Yield	0%	0%	0%	0%
Fair value per option	\$0.055	\$0.055	\$0.055	\$0.016
Total Fair Value of Options	\$139,279	\$54,619	\$1051	\$117,717

Set out below is a summary of unlisted options granted as share-based payments in the prior year:

2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10-12-2020	18-12-2022	\$0.33	1,800,000	-	-	-	1,800,000
24-06-2020	07-08-2023	\$0.24	6,000,000	-	-	-	6,000,000
			7,800,000	-	-	-	7,800,000
Weighted average exercise price \$0.26							

Notes to the Consolidated Financial Statements

NOTE 15 SHARE-BASED PAYMENTS (CONTINUED)

The weighted average remaining contractual life of options outstanding at the end of the financial year 2022 was 0.96 years.

All unlisted options vested immediately.

The unlisted options issued have been valued using the Hoadley ESO2 valuation model. The model and assumptions are shown in the table below:

Accounting Policy

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Hoadley ESO2 valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Notes to the Consolidated Financial Statements
NOTE 15 SHARE-BASED PAYMENTS (CONTINUED)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	1,346,030	1,623,321
Trade and receivables ⁽ⁱ⁾	93,142	23,427
	1,439,172	1,646,748

(i) Excludes prepayments as no cash or financial asset will be delivered.

Financial Liabilities

Trade and other payables	153,831	118,205
Provision	7,466	9,467
	161,297	127,672

(a) Market risk
(i) Foreign exchange risk

The Group was not significantly exposed to foreign currency risk fluctuations.

Notes to the Consolidated Financial Statements
NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2023		2022	
	Weighted average interest rate ⁽ⁱ⁾ %	Balance \$	Weighted average interest rate ⁽ⁱ⁾ %	Balance %
Cash and cash equivalents	0.29%	1,346,030	0.03%	1,623,321

(i) This interest rate represents the average interest rate for the year.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year/period, using the observed range of historical rates for the preceding two-year period.

At 30 June 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

<i>Judgements of reasonably possible movements:</i>	Loss higher/(lower)	
	2023 \$	2022 \$
+ 1.0% (100 basis points)	13,460	16,233
- 1.0% (100 basis points)	(13,460)	(16,233)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the financial position and notes to the financial statements. The Group does not hold any collateral.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

Notes to the Consolidated Financial Statements
NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities:

	1 year or less \$	1-5 years \$	> 5 years \$	Total \$
2023				
Trade and other payables	153,831	-	-	153,831
Provision	7,466	-	-	7,466
2022				
Trade and other payables	118,205	-	-	118,205
Provision	9,467	-	-	9,467

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Group's development there are no formal targets set for return on capital. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

Accounting Policy

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the Consolidated Financial Statements
NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTE 17 RELATED PARTY DISCLOSURE
(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2023 \$	2022 \$
Short-term benefits	183,000	275,669
Post-employment benefits	14,700	27,567
Share-based payments	193,898	-
	391,598	303,236

Information regarding individual Directors compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors' Report.

(b) Transactions with related parties

	2023 \$	2022 \$
<i>Company secretarial & financial management services paid to:</i>		
Mirador Corporate Pty Ltd ⁽ⁱ⁾	119,275	125,850
<i>Office rental fee paid to:</i>		
Mirador Corporate Pty Ltd ⁽ⁱ⁾	33,000	-
<i>Office rental fee paid to:</i>		
Red Mountain Mining Limited ⁽ⁱⁱ⁾	-	37,500

(i) An entity in which Jeremy King is a Director.

(ii) An entity in which Jeremy King was previously a Director.

All transactions were made on normal commercial terms and conditions and at market rates.

(c) Amounts payable to/ (receivable from) related parties

There were no amounts payable to or receivable from related parties during the year ended 30 June 2023 (2022: Nil).

(d) Loans with related parties

There were no loans during the year ended 30 June 2023 (2022: Nil).

There were no other transactions with related parties during the year ended 30 June 2023.

Notes to the Consolidated Financial Statements
NOTE 18 COMMITMENTS

	2023	2022
	\$	\$
<i>Tenement Commitments</i>		
Not longer than 1 year	650,862	634,500
More than 1 year but not longer than 5 years	61,788	3,198,000
More than 5 years	-	434,500
	712,650	4,267,000

NOTE 19 CONTINGENT LIABILITIES
Contingent liabilities

During the financial year, the Company has signed two Royalty Deeds. The respective recipients will retain a 1.5% New Smelter Royalty (NSR) for each of the Kember Project and the Ruddy Project on all ore, concentrates or other products extracted from the Tenements and sold, removed or otherwise disposed of. The NSR will have a buyback of 0.5% for CAD\$500,000 per project.

There were no contingent liability at 30 June 2022.

Contingent assets

There are no contingent assets at 30 June 2023 (2022: Nil).

NOTE 20 AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Amounts received or due and receivable by RSM Australia for:		
Audit and review of the financial reports	33,500	31,331
Other services		
- Tax compliance	10,700	5,000
	44,200	36,331

NOTE 21 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2023	2022
			%	%
Colossus Metals Pty Ltd	Exploration	Australia	100	100

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Notes to the Consolidated Financial Statements

NOTE 22 PARENT ENTITY

	2023	2022
	\$	\$
Assets		
Current assets	1,486,807	1,665,388
Non-current assets	4,350,994	1,834,918
Total assets	5,837,801	3,500,306
Liabilities		
Current liabilities	161,297	127,672
Total liabilities	161,297	127,672
Equity		
Contributed equity	13,354,207	10,251,763
Reserves	2,117,467	1,060,301
Accumulated losses	(9,795,170)	(7,939,430)
Total equity	5,676,504	3,372,634
Loss for the year	(1,855,740)	(1,784,545)
Total comprehensive loss	(1,855,740)	(1,784,545)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022, other than as disclosed in Note 19.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Lease commitments

The parent entity had no lease commitments as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Notes to the Consolidated Financial Statements

NOTE 23 EVENTS AFTER THE REPORTING DATE

On 7 August 2023, 6,000,000 unlisted options, exercisable at \$0.24, expired without exercise or conversion.

Other than above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

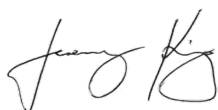
Directors' Declaration

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1(b) to the financial statements.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:



Jeremy King
Non-Executive Chairman
28 September 2023

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

F +61(0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of SULTAN RESOURCES LIMITED

Opinion

We have audited the financial report of Sultan Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 10 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$8,632,582 as at 30 June 2023.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining management reconciliation of capitalised exploration and evaluation expenditure by area of interest and agreeing to general ledger; • Evaluating whether the right to tenure of each area of interest is current; • Testing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation and ensuring the amounts capitalised during the year are in compliance with the Group accounting policy and relate to the area of interest; • Assessing and evaluating management's assessment of whether indicators of impairment existed as at 30 June 2023; • Assessing and evaluating management's assessment of impairment loss recognised for the year ended 30 June 2023; • Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Assessing the appropriateness of the related financial statements disclosure.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Sultan Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten-style signature of the firm RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature of AIK KONG TING.

AIK KONG TING
Partner

Perth, WA
Dated: 28 September 2023

Corporate Governance Statement

The Board of Directors of Sultan Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at <https://www.sultanresources.com.au/corporate/corporate-governance/>

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 13 September 2023.

1. Fully paid ordinary shares

- There is a total of 148,190,049 fully paid ordinary shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 790.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of fully paid ordinary shareholders is as follows:

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	37	3,424	0.00%
1,001 - 5,000	84	296,538	0.20%
5,001 - 10,000	111	904,034	0.61%
10,001 - 100,000	362	15,432,842	10.41%
100,001 - 9,999,999,999	196	131,553,211	88.77%
Total	790	148,190,049	100.00%

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those whose shareholding is valued at less than \$500.

There are 303 shareholders who hold less than a marketable parcel of shares, amount to 1.46% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
MR LUO QI	10,372,994	7.00%

5. Restricted Securities

There are no shares on issue that are subject to voluntary escrow restrictions or mandatory escrow restriction under ASX Listing Rules Chapter 9.

6. Share buy-backs

There is currently no on-market buyback program for any of Sultan Resources Limited's listed securities.

7. Voting rights of Shareholders

All fully paid ordinary shareholders are entitled to vote at any meeting of the members of the Company and their voting rights are on:

- Show of hands – one vote per shareholders; and
- Poll – one vote per fully paid ordinary share.

ASX Additional Information
8. Tax Status

The Company is treated as a public company for taxation purposes.

9. Major Shareholders

The Top 20 largest fully paid ordinary shareholders together held 41.63% of the securities in this class and are listed below:

Rank	Shareholders	Number Held	Percentage
1	MR LUO QI	10,372,994	7.00%
2	OLI PRIVATE INVESTMENT PTY LTD	7,303,007	4.93%
3	MR NARINDER SINGH SUDAGAR SINGH<SIDHU A/C>	5,500,000	3.71%
4	KALCON INVESTMENTS PTY LTD	4,687,938	3.16%
5	MOLO CAPITAL PTY LTD <JAMIE MYERS FAMILY A/C>	3,375,000	2.28%
6	GTT METALS GROUP PTY LTD	2,617,925	1.77%
7	HUSTLER INVESTMENTS PTY LTD	2,473,352	1.67%
8	KINGSTON NOMINEES PTY LTD	2,382,000	1.61%
9	BNP PARIBAS NOMS PTY LTD <DRP>	2,332,626	1.57%
10	MR BRENDAN JAMES CARTER	2,250,608	1.52%
11	DARREN CRAIG GLOVER	2,125,000	1.43%
12	MR BENJAMIN LEIGH HARPER	2,125,000	1.43%
13	CITICORP NOMINEES PTY LIMITED	2,119,681	1.43%
14	BUTTONWOOD NOMINEES PTY LTD	2,045,297	1.38%
15	MR STEWART RICHARDSON	1,963,090	1.32%
16	MS CHUNYAN NIU	1,700,000	1.15%
17	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	1,636,254	1.10%
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,601,256	1.08%
19	VIVO TRADING PTY LTD	1,561,521	1.05%
20	MR MARCUS STEVEN DING	1,520,789	1.03%
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		61,693,338	41.63%

10. Unlisted Options

Number of Options	Exercise Price	Expiry Date	Holders
17,200,000	\$0.11	31 December 2027	12
7,500,000	\$0.075	30 June 2027	7

11. Franking Credits

The Company has no franking credits.

12. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited under Security Code SLZ.

ASX Additional Information

13. Registered Office

Suite 11, Level 2
23 Railway Road
Subiaco WA 6008

Telephone: 08 6559 1792

Website: www.sultanresources.com.au

14. Company Secretary

Ms Hannah Cabatit

15. Share Registry

Automatic Share Registry
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

16. Tenement Table

Mining tenement interests held at 13 September 2023 and their location

Western Australia

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Thaduna Project							
E52/3481	Sultan Resources	Live	1 block	19/10/2016	8/02/2018	7/02/2028	\$10,000
Lake Grace Project							
E70/5081 ¹	Sultan Resources	Live	58 blocks	21/11/2017	23/07/2018	22/07/2023	\$87,000
E70/5082 ^{1,2}	Sultan Resources	Live	37 blocks	23/11/2017	31/07/2018	30/07/2023	\$55,500
E70/5085 ¹	Sultan Resources	Live	65 blocks	24/11/2017	23/07/2018	22/07/2023	\$93,000
E70/5095 ¹	Sultan Resources	Live	54 blocks	1/12/2017	31/07/2018	30/07/2023	\$81,000
E70/5179	Sultan Resources	Live	28 blocks	1/6/2018	05/02/19	04/02/2024	\$39,000

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ASX Additional Information

New South Wales

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Lachlan Fold Belt Project							
EL 8734	Colossus Metals	Live	16 Units	NA	16 April 2018	16/04/2025	\$150,000
EL 8735	Colossus Metals	Live	37 Units	NA	16 April 2018	16/04/2025	\$250,000
EL 9070	Sultan Resources	Live	4 Units	NA	02 March 2021	02/03/2027	\$14,000

Canada³

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure
Ruddy Project							
711362	Perry English	Live	22 cells	NA	27/02/2022	27/02/2024	\$8800
711363	Perry English	Live	14 cells	NA	27/02/2022	27/02/2024	\$5600
711364	Perry English	Live	16 cells	NA	27/02/2022	27/02/2024	\$6400
Kember Project							
705989	Gravel Ridge	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000
705990	Gravel Ridge	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000
705991	Gravel Ridge	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000
705992	Perry English	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000
705993	Perry English	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000
705994	Perry English	Live	25 cells	NA	08/02/2022	08/02/2024	\$10,000

1- Extensions of Terms submitted

2- E20/5082 subject to farm in by Rio Tinto Exploration- see ASX release

3- All Canadian tenure in process of being transferred to Sultan Subsidiary