SULTAN RESOURCES LTD

(ACN 623 652 522)

LOYALTY OFFER DOCUMENT

For a non-renounceable pro rata loyalty offer of one (1) New Share for every two (2) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) on Thursday 21 February 2019 at an issue price of $0.005 (0.5 cents) per Share to raise up to approximately $79,376 (before expenses) (**Loyalty Offer** or **Offer**).

The Joint Lead Managers to the Offer are Xcel Capital Pty Ltd and ARQ Capital Pty Ltd. Refer to Section 1.11 of this Offer Document for details regarding the terms of the Joint Lead Manager Mandate.

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. It is for information purposes only.

Accordingly, this document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Securities offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This offer opens on Monday 25 February 2019 and closes at 5.00pm (WST) on Wednesday 6 March 2019, unless extended at the Directors' discretion.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

This Offer Document is dated 15 February 2019.

This Offer Document is important and requires your immediate attention. It should be read in its entirety together with the Entitlement and Acceptance Form accompanying it. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus and this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision or which would otherwise be required under Australian Law or any other law to be disclosed in a prospectus. The Offer Document is not required to be, and will not be, lodged with ASIC. Eligible Shareholders should therefore consider whether the securities offered under this document are a suitable investment in the light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, accountant or other independent professional adviser before deciding whether to accept the Offer. The information in this Offer Document does not constitute securities recommendation or financial product advice.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Document. Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 4 of this Offer Document.

Eligibility and Offering Restrictions

Applications for Securities by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer. Refer to sections 1(e) and 1(g) below for more information on entitlements, eligibility and Eligible Shareholders.

Overseas Shareholders – Offer Restrictions

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1998 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.

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1 DETAILS OF THE OFFER

1.1 The Offer

The Company is making a non-renounceable pro-rata loyalty offer of one (1) New Share for every two (2) existing Shares held by Eligible Shareholders at an issue price of $0.005 (0.5 cents) per New Share.

The purpose of the Loyalty Offer is to reward seed and initial public offer investors for their loyalty, having committed their capital at or before the Company's initial public offer. The Loyalty Offer will also serve to help maintain Shareholder loyalty and share ownership for any Shareholders who have purchased shares since the Company's shares commenced quotation on ASX. In addition, the Loyalty Offer will raise a minimal amount of up to $79,376 (before costs of the Loyalty Offer) and provide future exploration and general working capital funds for the Company's prospects.

The Loyalty Offer is non-renounceable and is available to all eligible Sultan shareholders registered as shareholders of the Company at 5.00pm (WST) on Thursday 21 February 2019 (**Record Date**) with an address registered in Australia or New Zealand (**Eligible Shareholders**).

To the extent that Eligible Shareholders do not take up their Entitlements, any New Shares not subscribed for will be allocated under the Shortfall Facility set out in section 1.8. Optionholders who do not hold Shares on the Record Date are not entitled to participate in the Offer. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

1.2 Terms and conditions of New Shares

The New Shares issued under this Offer Document will be on the same terms and conditions as the ordinary fully paid Shares in the Company currently on issue.

1.3 Timetable

The indicative timetable for the Offer is as follows:

Event	Date
Announcement of Rights Issue, Appendix 3B, Cleansing Notice and Offer Document	**Friday 15 February 2019**
Notice Sent to Security Holders	**Friday 15 February 2019**
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	**Wednesday 20 February 2019**
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue as at 5:00pm (WST))	**Thursday 21 February 2019**
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	**Monday 25 February 2019**
Rights Issue Opens	**Monday 25 February 2019**
Closing Date* 5.00pm (WST)	**Wednesday 6 March 2019**
New Shares quoted on a deferred settlement basis	**Thursday 7 March 2019**
ASX Notified of Shortfall	**Monday 11 March 2019**
Issue Date**	**Wednesday 13 March 2019**
Quotation of New Shares and Dispatch of Holding Statements**	**Thursday 14 March 2019**

**Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.*
*** Dates are indicative only*

1.4 Effect of the Offer on the Capital Structure and Financial Position of the Company

The capital structure of the Company following completion of the Offer (if fully subscribed) is summarised below:

Shares	**Number**
Shares on issue at the date of the Offer [1]	31,750,203
New Shares offered under the Offer [2]	15,875,101
Total Shares on issue at completion of the Offer	**47,625,304**
Options	**Number**
Options at the date of the Offer	6,000,000
Total Options on issue at completion of the Offer	**6,000,000**

1. *The Shares on issue at the date of the Offer may increase if existing Options are exercised before the Record Date, and the Options on issue will correspondingly decrease.*

2. *The New Shares to be offered may increase if existing Options are exercised before the Record Date.*

1.5 Effect of the Offer on the Financial Position of the Company

As set out in section 1.1 above, the purpose of the Offer is to reward existing Shareholders for their loyalty. Accordingly, the purpose of the Offer is not to raise funds.

However, the Offer will raise a minimal amount of $79,376 (before expenses). The Company intends to apply these funds towards costs of the Offer, future exploration expenditure, and general working capital funds for the Company's prospects.

The cash costs of the Offer will be approximately $45,000 (see notes (b) and (c) below). Additionally, in the event of any Shortfall, the Joint Lead Managers will be paid a 6% selling fee (refer to section 1.11 for further details).

The Offer will have a minimal impact on the Company's current financial position, other than to raise $79,376 (before costs of the Offer).

The Company's pro forma balance sheet showing its financial position following the Offer is set out on the following page.

STATEMENT OF FINANCIAL POSITION	Sultan Resources Audited 30-Jun-18 $	Pro Forma Adjustments (a), (b), (c), $	Pro Forma After Offer $
ASSETS			
Current Assets			
Cash & cash equivalents	106,083	34,376	140,459
Other assets	148,288		148,288
Total Current Assets	254,371	34,376	288,747
Non-Current Assets			
Exploration and evaluation expenditure	99,776		99,776
Total Non-Current Assets	99,776	-	99,776
TOTAL ASSETS	354,147	34,376	388,523
Current Liabilities			
Trade and other payables	153,240		153,240
Provisions	913		913
Total Current Liabilities	154,153	-	154,153
TOTAL LIABILITIES	154,153	-	154,153
NET ASSETS	199,994	34,376	234,370
Equity			
Contributed equity	376,204	49,376	425,580
Reserves	-		-
Accumulated losses	(176,210)	(15,000)	(191,210)
TOTAL EQUITY	199,994	34,376	234,370

Notes:

(a) Assumes full subscription.

(b) Capital raising fees are estimated to be $30,000 management fee (refer to section 1.11)

(c) Expenses of the offer including ASX, legal fees are estimated to be $15,000.

1.6 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of Entitlement in Full
If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Partial Acceptance of Entitlement
You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Please refer to section 2 of this Offer Document for further information.

1.7 Directors' Participation

The Directors' entitlements and intended participation in Loyalty Offer are set out below:

Director	Shares	Voting Power	Entitlement	Value of Entitlement
Jeremy King	132,883	0.42%	29,530	$944.95
Ariel Edward King	170,000	0.54%	37,778	$1,208.89
Steven Groves	100,000	0.32%	22,222	$711.11
Lincoln Ho	125,000	0.39%	27,778	$888.89

The Directors intend to subscribe for their full Entitlements.

1.8 Shortfall Shares

Any Entitlement not taken up pursuant to the Offer will form the **Shortfall Shares**.

Subject to the Corporations Act and Listing Rules, the Directors reserve the right to deal with, at their absolute discretion the Shortfall Shares. The Directors reserve the right to place the Shortfall Shares at their discretion within 3 months following the Closing Date of the Offer.

The Shortfall Shares will be issued at the same issue price as offered to Eligible Shareholders pursuant to this Offer Document, being 0.5 cents per New Share issued under the Shortfall.

However, the Directors and any related parties are unable to be issued Shortfall Shares due to restrictions under the Corporations Act and Listing Rules. Accordingly, no Shortfall Shares will be issued to the Directors or any related parties.

1.9 Underwriting

The Offer is not underwritten.

1.10 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance of ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

(a) the small number of Ineligible Shareholders;

(b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and

(c) the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to any Shareholders outside Australia and New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

Where this Offer Document has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Offer Document is provided for information purposes only.

1.11 Lead Manager

Xcel Capital Pty Ltd and ARQ Capital Pty Ltd have been appointed as joint lead managers of the Offer (**Joint Lead Managers**).

The Company has entered into a mandate with the Joint Lead Managers pursuant to which the Joint Lead Managers will be paid the following fees for their services in connection with the Offer:

(a) a management fee of $30,000 (plus GST, if applicable), to be split equally between each of the Joint Lead Managers; and

(b) a 6% selling fee (plus GST, if applicable) in respect of the placement of any Shortfall Shares (to be paid on a pro-rata basis to each Joint Lead Manager based on the amount of Shortfall placed by each Joint Lead Manager).

1.12 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.13 Opening and Closing Dates

The Offer opens on the Opening Date, being Monday 25 February 2019. The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date of Wednesday 6 March 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.14 Issue and Dispatch

The expected dates for issue of Securities offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in section 1.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.15 ASX Listing

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.16 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.17 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for Securities under this Offer Document.

1.18 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3 of this Offer Document.

1.19 Enquiries concerning Offer Document

Enquiries concerning the Offer Document and Entitlement and Acceptance Form can be made by contacting Automic Registry Services on 1300 288 664.

1.20 Governing law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each applicant for Securities under this Offer Document submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.21 Entire agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

2 ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document.

You may participate in the Offer as follows:

(a) if you wish to accept your Entitlement in full:

(i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and

(ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;

(b) if you only wish to accept part of your Entitlement:

(i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and

(ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form;

(c) if you wish to accept your Entitlement in full and apply for Shortfall Shares:

(i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and

(ii) attach your cheque for the appropriate amount or follow the instructions for BPAY set out in the Entitlement and Acceptance Form; and

(d) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

2.2 Payment by Cheque – Australia and New Zealand Eligible Shareholders

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to "**Sultan Resources Ltd – Share Offer A/C**" and crossed "**Not Negotiable**".

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

Sultan Resources Ltd
C/- Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000

2.3 Payment by BPay – Australia and New Zealand Eligible Shareholders

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. **Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.**

Completed Entitlement and Acceptance Forms must be received no later than 5.00pm (WST) on the Closing Date. **However, please note that payment via BPAY must be made by no later than 12.00pm WST on Wednesday 6 March 2019.** Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.4 Shortfall Facility

Any Entitlement not taken up pursuant to the Offer will form the **Shortfall Shares**.

The Directors reserve the right to allocate Shortfall Shares at their discretion. Refer to section 1.8 for further details.

3 RISK FACTORS

3.1 General Risks

(a) Tenement title and applications

As at the date of this document, the Company's nine Tenements are all granted and in good standing.

However, exploration tenements are subject to periodic renewal and are subject to the Mining Act where the tenement holder has certain obligations in relation to the maintenance of the Tenement, including the payment of annual rents, meeting prescribed expenditure commitments and satisfying other conditions imposed upon the Tenements. There is no guarantee that any future applications or tenement renewal will be granted. If the conditions that apply to a Tenement are not satisfied, the Company may be subject to penalties or forfeiture applications.

(b) Tenement access (Private Land)

Where a tenement is located on private land the Mining Act stipulates that unless the Company has the consent of owner and the occupier of that private land the Tenement is not granted in respect of areas that are within 30 metres of the natural surface of the land. Accordingly, the Company is only granted sub-surface rights to its Tenements over those areas unless it obtains that consent.

Further, the Mining Act provides that no mining activities may be conducted on or within 30 metres of the natural surface of any private land unless the tenement holder has paid compensation to, or made an agreement to pay compensation to, the owner and occupier of the private land. The Company is however entitled to carry out airborne surveys on the Tenements without the consent of, or agreement with, the private land owners and occupiers.

Sultan must obtain the consent of each owner and occupier of private land affected by its tenements, including reaching agreement as to compensation payable to the landowner, before entering onto private land to carry out exploration.

In the event that Sultan is unable to reach a compensation agreement with an owner of private land, Sultan will look to mitigate this risk by reassessing its intended exploration targets and advancing its exploration program on the Tenements which Sultan has secured private land access agreements.

In addition to the risks associated with access to areas of private land noted above, some other areas of the Tenements might be the subject of other land uses (including reserves) or environmental restrictions. The terms of grant of Tenements over these types of land might contain stringent conditions relating to access and ground disturbing activities that the Company will need to comply with and may require additional regulatory consents being obtained prior to access. The Company might experience delays and cost overruns in the event it is unable to access the land required for its operations for other reasons. This may be a result of adverse weather, environmental restraints, private land, native title or Aboriginal heritage issues, the need for regulatory approvals and consents or other factors.

(c) Tenement access (Native Title and Aboriginal Heritage)

The effect of present laws in respect of native title that apply in Australia is that mining tenements (including applications for mining tenements) may be affected by native tile claims or procedures, which may prevent or delay the granting of mining tenements, or affect the ability of the Company to explore and develop the mining tenements.

The Company's Tenements are subject to native title claims. Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Some sites of significance may be identified within the areas of the Tenements. The Company's policy is to comply with its existing Aboriginal heritage agreements and carry out heritage clearance surveys prior to conducting exploration in appropriate circumstances.

Specifically, holders of mining tenements in Western Australia are subject to the Aboriginal Heritage Act 1972 (WA) (**WA Heritage Act**), which protects sites that may be of spiritual, cultural or heritage significance to Aboriginal people (**Aboriginal Site**). The Western Australia Department of Planning, Land and Heritage (which incorporates the former Department of Aboriginal Affairs) maintains a register of Aboriginal Sites but registration of an Aboriginal Site is not required by the WA Heritage Act.

To alter or damage an Aboriginal Site is an offence under the WA Heritage Act that can lead to prosecution (unless approval has been obtained under the WA Heritage Act). Any party disturbing an area of the State has an obligation to avoid interfering with an Aboriginal Site. To satisfy this obligation, tenement holders commonly undertake Aboriginal heritage surveys which involve the relevant traditional owners and as necessary, an archaeologist or anthropologist walking the land identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

Three of the Company's nine Tenements are subject to a Heritage Agreement. Before carrying out exploration activity on these Tenements, Sultan must notify the claimant group of the details of such exploration and give the claimant group the right to carry out a heritage survey over the land to determine if any sites or objects of significance exist. The Company must meet all of the claimant group's costs in carrying out such survey.

Six of the Company's nine Tenements will be subject to an Indigenous Land Use Agreement. Sultan will be bound to follow the standard procedures set out in the Indigenous Land Use Agreement to ensure site or objects of significance to aboriginal people are identified before carrying out any ground disturbing works.

The Company might experience delays and cost overruns in the event it is unable to access the land required for its operations for these reasons.

(d) Exploration risks

The undertaking of mineral exploration is a high-risk business. All of the Company's projects are at a very early exploration stage and no mineral resources have been identified on any of the tenements. There is no guarantee that the exploration of these tenements will be successful and result in the discovery of an economically viable Mineral Resource.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal or adverse weather conditions, unanticipated operations or technical difficulties, availability of suitable equipment and personnel, land access and environmental issues.

(e) Limited history

The Company was only recently incorporated (4 January 2018) and has a limited operating history and limited historical financial performance. No assurance can be given that the Company will establish a resource or reserve in accordance with the JORC Code. Until the Company is able to realise value from the Projects, it is likely to incur ongoing operating losses.

(f) Reliance on key personnel

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

(g) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to maintain its funds and/or generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and 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 exploration expenditure as the case may be.

(h) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(i) Reports regarding the Company and its projects

If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business or its market, or if they change their recommendations regarding the Company's Shares adversely, the price of its Shares and trading volumes could be adversely affected.

The market for the Company's Shares trading on ASX may be influenced by any research or reports compiled by securities or industry analysts. If any of the analysts who may cover the Company and its products change previously disclosed recommendations on the Company or for that matter its competitors, the price of its Shares may be adversely affected.

(j) The Company does not expect to declare any dividends in the foreseeable future

The Company does not anticipate declaring or paying any dividends to Shareholders in the foreseeable future. Consequently, investors may need to rely on sales of their Shares to realise any future gains on their investment.

(k) If the Company's goodwill or intangible assets become impaired, it may be required to record a significant change to earnings)

Under generally accepted accounting principles, the Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually.

(l) Results of studies

In the future, subject to the results of exploration and testing programs, the Company may undertake various studies on the Company's projects, including scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a Scoping Study may materially differ to the results of a feasibility study).

If a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production. The ability of the Company to complete a study may be dependent on the Company's ability to raise the necessary funds to complete the study if required.

If the Company's exploration programmes and/or studies prove to be unsuccessful this could lead to a diminution in value of its projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its Tenements.

(m) Exploration costs

The exploration costs of the Company have been estimated based on certain assumptions including with respect to the method and timing of exploration and these assumptions are subject to significant uncertainties. Actual exploration costs may differ materially from these estimates. As such, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(n) Exploration targets, resources and reserves

In the future, the Company may identify exploration targets based on geological interpretations, geophysical data, geochemical sampling and historical drilling. In that case, insufficient data may exist to provide certainty over the extent of any mineralisation. Accordingly, no assurances can be given that any additional exploration will result in the determination of a mineral resource on any of the exploration targets identified. Even if a mineral resource is identified no assurance can be provided that an ore reserve will be subsequently defined and economically mined.

If a mineral resource or ore reserve estimate is made in the future, these estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(o) Development and operational risks

By its very nature, mine development contains significant risk with no guarantee of success. Therefore, even if a potentially economic mineral deposit is identified by the Company in the future, there is no guarantee that it can be developed and economically exploited. The ultimate economic development of a mineral deposit is dependent on many factors such as the delineation of economically recoverable ore reserve, access to adequate capital for project development, construction of infrastructure within capital budgets, securing and maintaining title to appropriate mining tenements, obtaining regulatory consents and approvals necessary for the conduct of development and production, securing plant and equipment and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, insufficient quantities of ore to support a commercially viable operation, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

These factors may affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and will affect the Company's Share price. Similarly, all production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability, project value and in turn the value of Shares.

(p) Environmental and approvals risk

The Company's operations are subject to environmental regulations at both a State and Federal level. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or 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.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production

costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays or failure to obtain such approvals can result in the delay to anticipated exploration programmes or mining activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(q) Equipment and availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(r) Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(s) Safety risks

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

3.2 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and securities price may be affected by these factors, as well as by fluctuations in the price of commodities, which are beyond the Company's control.

(b) Changes in legislation and Government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) Competition for projects

The Company competes with other companies, including mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies. In the event that the Company is not able to secure a new project or business opportunity this may have an adverse effect on the operations of the Company, its possible future profitability and the trading price of its securities, including the Shares offered under the Offer.

(d) Commodity price volatility and Exchange rate risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(e) Sharemarket conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

(f) Insurance

Insurance of all risks associated with mineral exploration and production is not always available and where available, the costs can be prohibitive. The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(g) Speculative nature of investment

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 Shares offered under the Offer. Therefore, the Shares offered pursuant to the Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

4 DEFINED TERMS

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means 5.00pm WST on Wednesday 6 March 2019.

Company means Sultan Resources Ltd (ACN 623 652 522).

Corporations Act means the Corporations Act 2001(Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

Entitlement means the entitlement to subscribe for New Shares under this Offer, and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Joint Lead Managers means Xcel Capital Pty Ltd and ARQ Capital Pty Ltd.

Listing Rules means the Listing Rules of the ASX.

Mandate means the mandate between the Joint Lead Managers and the Company.

Mining Act means the Mining Act 1978 (WA).

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the offer of Securities offered under this Offer Document.

Offer Document means this Offer Document dated 15 February 2019.

Opening Date means Monday 25 February 2019.

Optionholder means a holder of Options.

Options means an option to acquire a Share.

Record Date means 5.00 pm WST on Thursday 21 February 2019.

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

Shortfall Shares or Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement.

Shareholder means a holder of Shares.

Tenements means the exploration licences in which the Company has an interest in namely, E 59/2185-1, E70/4884, E52/3461, E52/3481, E70/5081, E70/5082, E70/5085, E70/5095, E70/5179, or any one of them as the context requires.

WST means Australian Western Standard Time.

SULTAN RESOURCES

SULTAN RESOURCES LTD | ACN 623 652 522

Sample

All Registry Communication to:
AUTOMIC
GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
corporate.actions@automic.com.au
www.automic.com.au

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

SRN/HIN : [HolderNumber]

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSES 5:00PM (WST) ON WEDNESDAY, 6 MARCH 2019 (UNLESS IT IS LAWFULLY EXTENDED)

Shares held as at the Record Date, 4:00pm (WST) on 21/02/2019	Entitlement to 1 New Share for every 2 Existing Shares held	Amount payable on full acceptance at A$0.005 per New Share
[CumBalance]	[Entitlement]	[EntPayable]

IMPORTANT: As an Eligible Shareholder you are entitled to acquire the above Shares for the amount payable. The Loyalty Offer Document contains information about investing in the Shares and you should carefully read the Offer Document before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document. If you do not understand it or you are in doubt as to how you should deal with it, you should seek professional advice. Capitalised terms have the same meaning as defined in the Offer Document.

1 Insert the number of Shares applied for and accepted (being not more than your Entitlement shown above)

, ,

2 Payment Amount (multiply the number in section 1 by A$0.005 ***(If the dollar amount below divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down)***

A$ . . . .

As an Eligible Shareholder, you are invited to apply for additional Shares under the Shortfall Offer, providing you have taken up your full Entitlement. Should you wish to apply for additional Shares please complete the following sections. The Directors reserve the right to allot and issue additional new Shares under the Shortfall Offer at their discretion.

3 Insert the number of additional Shares applied for

. .

4 Payment Amount (multiply the number in section 3 by A$0.005 ***(If the dollar amount below divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down)***

A$ . . . .

5: FOR BPAY PAYMENT

BPAY

Biller Code:
Ref: [BPayCRN]

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: www.bpay.com.au

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

6: FOR CHEQUE PAYMENT – INSERT DETAILS

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to ***Sultan Resources Ltd*** crossed "Not Negotiable" and forwarded to Automic to arrive no later than the Closing Date.

Cheque Number | *BSB* | *Account Number*

-

7: PROVIDE YOUR CONTACT DETAILS

Telephone Number ( )

Contact Name (PLEASE PRINT)

Email Address

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

INSTRUCTIONS FOR COMPLETION OF THIS FORM

Sample

The Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular, this Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

HOW TO APPLY FOR SHARES

1 Acceptance of Shares

Enter into section 1 the number of Shares you wish to apply for. The number of Shares must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down.

3 Application for additional Shares under the Shortfall Offer

You can only apply for additional Shares if you have applied for your full entitlement in section 1. The Directors reserve the right to allot and issue additional new Shares under the Shortfall Offer at their discretion.

4 Payment Amount

Enter into section 4 the total amount payable for the number of additional Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a Share, the Shares allotted will be rounded down.

5 BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the Closing Date.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your Entitlement electronically and you will be deemed to have applied for such securities for which you have paid.

6 Cheque Details

Enter your cheque details in section 6. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to ***Sultan Resources Ltd*** and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many Shares as your cheque will pay for.

7 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm WST. We may use this email* or number to contact you regarding your acceptance of the Shares, if necessary.

***By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible**)

LODGING YOUR ENTITLEMENT AND ACCEPTANCE FORM
This form must be received at an address given below by 5:00pm (WST) on Wednesday, 6 March 2019. (If you are making cheque payment)
BY MAIL Sultan Resources Ltd C/- Automic Group GPO Box 5193 Sydney NSW 2001
BY HAND DELIVERY (Between Sydney office hours 9:00am – 5:00pm WST) Sultan Resources Ltd Level 5 126 Phillip Street Sydney NSW 2000

If you require further information about the Offer, please contact Automic on 1300 288 664 between 9:00am and 5:00pm (WST).