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SULTAN COMMENCES EXPLORATION FOR JULIMAR-STYLE NICKEL-SULPHIDE TARGETS AT LAKE GRACE PROJECT

- **Sultan has commenced reconnaissance groundwork for prospective ultramafic rocks at Lake Grace**
  - **The project forms part of interpreted mobile zone that hosts the recent Julimar Ni-Cu-PGE discovery**
- **Historic exploration at Lake Grace has shown ultramafic rocks with evidence of nickel and cobalt bearing sulfides in drilling**
- **Strong geophysical evidence for >25km of cumulative strike length of ultramafic rocks across Sultan's Lake Grace portfolio**
- **Lake Grace portfolio surrounded by major mining and exploration companies:**
  - **Anglo American to north and west**
  - **Gold Road Resources to east**

Sultan Resources Limited (ASX: SLZ) (**Sultan** or **Company**) is pleased to announce that it has commenced reconnaissance exploration for nickel-prospective ultramafic rocks at identified magnetic anomalies within the Lake Grace prospect. The Ni-prospectivity of the Company's Lake Grace tenement portfolio has long been recognised by the company (see ASX Announcement 20/07/2020) and has recently been verified by the discovery of Chalice Gold Mines' Julimar Ni-Cu-PGE deposit 215km to the northwest in the same belt of rocks (see Chalice ASX announcement of 23/03/2020). In recent months, there has been a rush to secure ground in the Southwest Yilgarn Terrane by major companies such as Anglo American plc.

Sultan owns a 690km^2 portfolio that is highly prospective for gold mineralisation and also contains historically drilled ultramafic rocks with evidence of nickel and cobalt bearing sulfides[1]. Detailed airborne magnetic surveying by the company (ASX Announcement 03/07/2020) has also revealed several unexplored areas with geophysical characteristics indicative of ultramafic rocktypes (Figures 2 & 3).

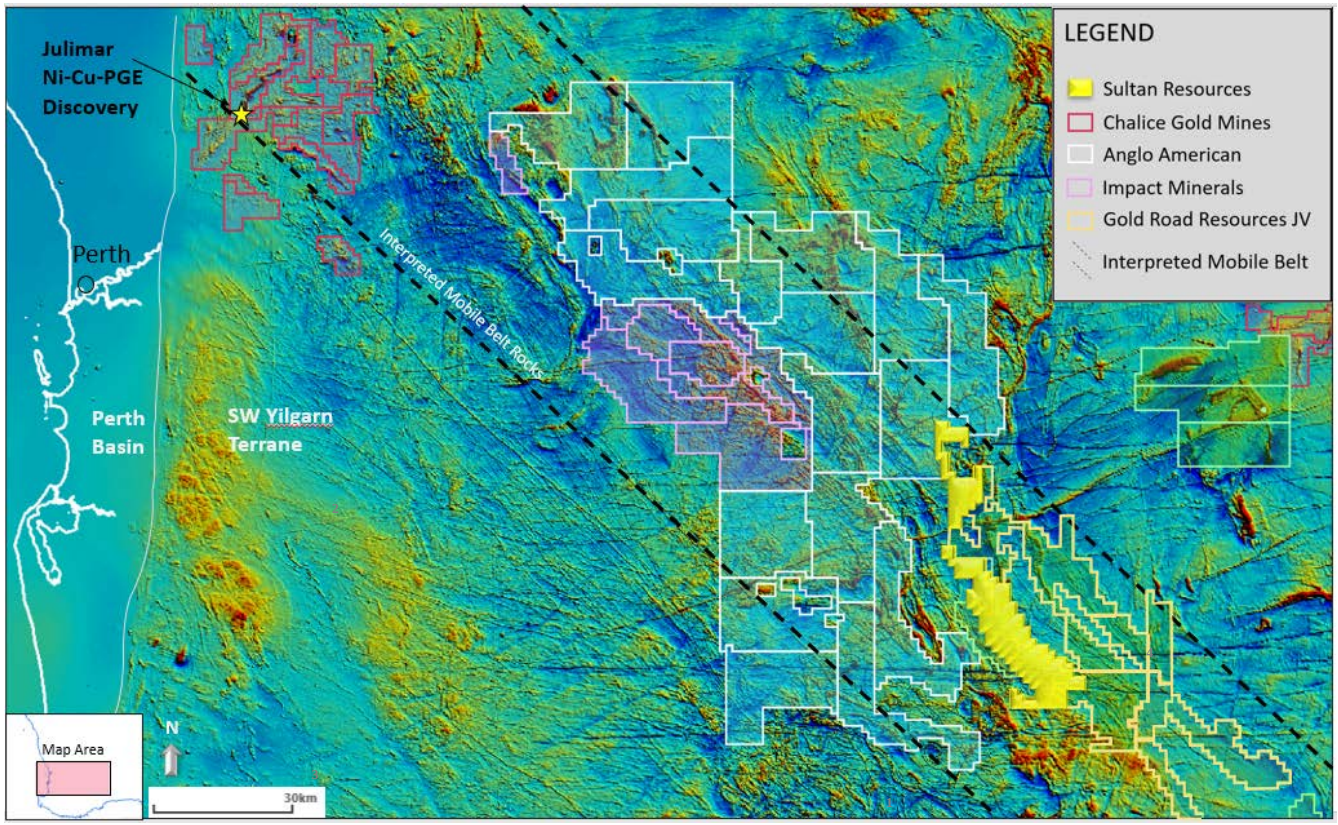


Figure 1: Sultan's Lake Grace portfolio of tenements in relation to the recent applications by Anglo American (white outline), Impact Minerals (pink outline) and the Gold Road Resources/Cygnus Gold JV (beige outline). All of Sultan's tenure lies within an interpreted mobile zone prospective for Ni-Cu mineralisation as postulated by Impact Minerals Ltd (see Impact Minerals announcement dated 10/06/2020)

Work Program

Sultan has commenced preparations for undertaking a ground reconnaissance program to verify if magnetic anomalies identified in aeromagnetic surveys represent ultramafic rocks with potential to be associated with nickel sulphide mineralisation. The work program will initially consist of a broad-spaced mapping and rock / soil sampling program across the magnetic anomalies. The initial phase of the program will predominantly use existing public roads, farm tracks and fence lines which provide good coverage across the area to access the anomalies. Any areas where confirmed ultramafic rocks or geochemical anomalies that indicate likely ultramafic occurrence will be followed up with detailed grid-based soil or shallow drill sampling (auger, aircore). Bodies of verified ultramafics will also be subject to Electro-Magnetic (EM) surveys to locate any buried conductive bodies. Landowners in the area are currently being contacted in preparation for groundwork which will commence in the coming weeks.

Kulin Hill and Lake Grace Ultramafic Potential

Sultan have long recognised the gold and nickel potential of their Lake Grace Project portfolio. During December 2018, the company commissioned by MAGSPEC Airborne Surveys to undertake a high-resolution airborne magnetic survey of its entire Lake Grace portfolio (ASX Announcement 03/07/2019). The survey was flown in two parts: the first across E70/5095 (Kulin Hill) and the second across E70/5081, E70/5082, E70/5085 and E70/5179 (Lake Grace). Data was collected along 100m-spaced lines at a sensor height of 40m for a total of 8,996 line-kilometres. A full geological, structural and exploration targeting exercise was undertaken on the survey results by Core Geophysics[2,3]. In terms of nickel potential, Core interpreted the following:

Kulin Hill - The area encompassed by the survey is characterised by granite and gneiss that forms a part of the Western Gneiss Terrain. **Small enclaves of mafic, ultramafic (potential nickel host rock**) and metasedimentary rocks are interpreted to occur within a portion of this survey[2].

In the north**, a 2.6km long ultramafic body is known to be associated with the occurrence of Ni-Co sulphides in historic drilling[1]** The survey has also delineated a further **14.5km strike of interpreted ultramafic bodies to the southeast that remain unexplored**. (Figure 2)[2].

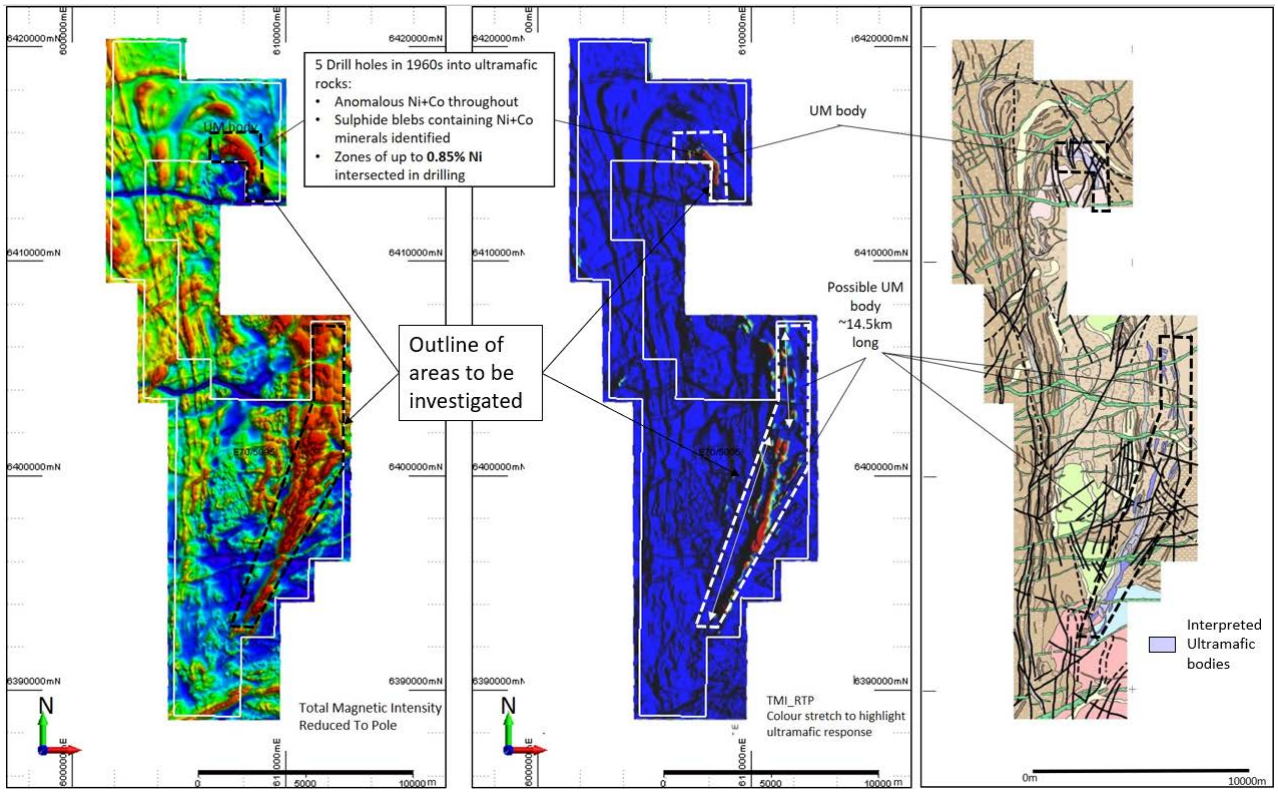


Figure 2: Results of the recent airborne magnetic survey at Kulin Hill showing the position of known and interpreted, ultramafic bodies. The image on the left is total magnetic intensity, reduced to pole, the centre image shows the same data but with a colour stretch applied to highlight the ultramafic response. The image on the right shows the detailed geological interpretation at the same scale. Areas for follow-up ground investigation are marked by the dashed polygons.

Lake Grace – The geology evident in the Kulin Hill survey area extends southwards through the Lake Grace tenements. A further **9.5km zone of probable ultramafic rocks** was identified in the central-east portion of the survey area (Figure 3)[3].

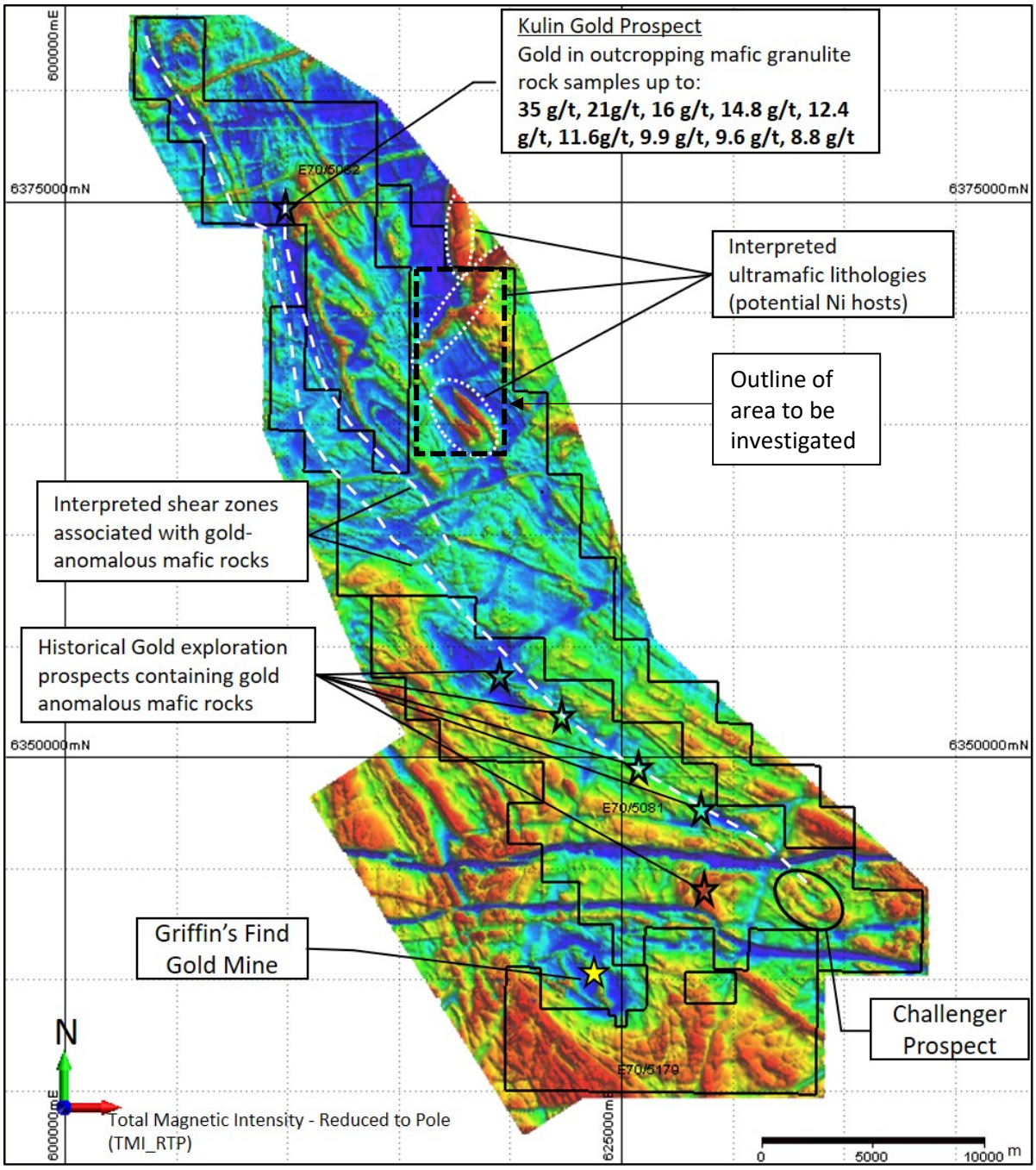


Figure 3: Regional magnetic image of Sultan's Lake Grace portfolio. Note the interpreted occurrences of folded ultramafic sequences in the centre-east portion of the survey. Areas for follow-up ground investigation are marked by the dashed polygons.

This announcement is authorised by Steve Groves, Sultan Resource Managing Director

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Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical exploration information compiled by Mr Steven Groves, who is a Competent Person and a Member of the Australian Institute of Geoscientists. Mr Groves is Managing Director and a full-time employee of Sultan Resources Limited. Mr Groves 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 Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Competent Person is not aware of any new information or data that materially affects the information contained in the above sources or the data contained in this announcement.

About Sultan Resources

Sultan Resources is an Australian focused exploration company with a portfolio of quality assets in emerging discovery terranes currently targeted by successful explorers such as Newcrest Mining, Alkane Resources, Gold Road Resources, and Sandfire Resources. Sultan's tenement portfolio includes prospective targets for porphyry Au-Cu, structurally-hosted gold, Nickel, Cobalt and base metals and include tenements located in the highly prospective east Lachlan Fold Belt of Central NSW as well as projects located within the southern terrane region of the Yilgarn Craton in south and south eastern Western Australia. Sultan's board and management strategy is for a methodical approach to exploration across the prospects in order to discover gold and base metals that may be delineated via modern exploration techniques and exploited for the benefit of the company and its shareholders.

References

1. Summers, K.W.A., 1969, Final Report, Corrigin Project, WA. Electrolytic Zinc Company of Australasia Limited, WAMEX Report A7659
2. Bisset, A. 2019., Kulin Hill Survey: Western Australia - Airborne Magnetic and Radiometric Survey. Sultan Resources internal Company Report
3. Bisset, A. 2019., Lake Grace Survey: Western Australia - Airborne Magnetic and Radiometric Survey. Sultan Resources internal Company Report

Note: No exploration data or results are included in this document that have not previously been released publicly. All data or results have been referenced in the text.