Sultan Resources Limited

(ACN 623 652 522)

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

Tuesday, 9 May 2023

10:00am WST

Mirador Corporate, Suite 11, Level 2, 23 Railway Rd,

Subiaco, Western Australia, 6008

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6559 1792.

NOTICE OF MEETING

Notice is given that the General Meeting of Shareholders of Sultan Resources Limited (ACN 623 652 522) (**Company**) will be held at Mirador Corporate, Suite 11, Level 2, 23 Railway Rd, Subiaco Western Australia, 6008 on Tuesday, 9 May 2023 commencing at 10:00am WST.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 10:00am WST on Sunday, 7 May 2023.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolutions 1(a) and 1(b) – Ratification of Prior Issue of Tranche 1 Placement Shares

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

"*That, subject to and conditional on the Capital Raising Resolutions being passed by Shareholders, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

(a) 12,492,658 Shares issued under Listing Rule 7.1;

(b) 7,507,342 Shares issued under Listing Rule 7.1A,

on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of:

(a) any person who participated in the issue or is a counterparty to the agreement being approved; or

(b) any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolutions by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair to vote on the Resolutions as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolutions; and

  (ii) the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval of Share Issue – Tranche 2 Placement Shares

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

"That, subject to and conditional on the Capital Raising Resolutions being passed by Shareholders, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directors given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Consideration Shares to Vendors

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 34,905,660 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

(a) a person (or persons) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) an Associate of that person (or those persons) who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval to issue Joint Lead Manager Options

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

That, subject to and conditional on the Capital Raising Resolutions being passed by Shareholders, for the purposes of ASX Listing Rule 7.1 and for all purposes, approval is given for the Company to issue up to 7,500,000 Options to the Joint Lead Managers (and/or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 4 April 2023

BY ORDER OF THE BOARD

Hannah Cabatit
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Mirador Corporate, Suite 11, Level 2, 23 Railway Rd., Subiaco, Western Australia, 6008 on Tuesday, 9 May 2023 commencing at 10:00am WST.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to participate in the Meeting via virtual means or attend in person, and are encouraged to lodge a directed Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting via virtual means or voting at the Meeting in person.

Please note that:

(a) a member of the Company entitled to attend via virtual means/ or in person and vote at the Meeting is entitled to appoint a proxy;

(b) a proxy need not be a member of the Company; and

(c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

(a) If proxy holders vote, they must cast all directed proxies as they are directed to; and

(b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

(b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

(c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

(a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

(b) the appointed proxy is not the Chair of the meeting; and

(c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and

(d) either of the following applies:

(i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;

(ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Proxy Holders and Voting Instructions

If the Chair is appointed as your proxy and the Chair is not directed how to vote, you are authorising the Chair to cast your undirected vote on all proposed resolutions.

If you intend to appoint a member of the Company's Key Management Personnel, or a Closely Related Party of such member, or the Chair, as your proxy, you are encouraged to direct them how to vote on each Resolution, by marking "For", "Against" or "Abstain" for each of those resolutions.

2.3 Submit your Proxy Vote

2.3.1 Online

Vote online at https://investor.automic.com.au/#/loginsah, and simply follow the instructions on the enclosed proxy form.

2.3.2 By Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

IN PERSON:	Automic Level 5, 126 Phillip Street Sydney NSW 2000
BY MAIL:	Automic GPO Box 5193 Sydney NSW 2001
BY EMAIL:	meetings@automicgroup.com.au
BY MOBILE:	Scan the QR Code on your proxy form and follow the prompts

3. Resolutions 1(a) and 1(b) – Ratification of Prior Issue of Tranche 1 Placement Shares

3.1 Background

3.1.1 Placement

On 17 March 2023, the Company announced it was completing a capital raising of $1,000,000 (before costs) with oversubscriptions of up to $500,000 being considered (**Placement**), through the issue of up to 30,000,000 Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of $0.05 per new Share.

The Placement Shares were and will be issued in two separate tranches. A total of 20,000,000 Placement Shares (**Tranche 1 Shares**) were issued to non-related parties of the Company pursuant to its existing capacity available under Listing Rules 7.1 and 7.1A as follows:

(a) 12,492,658 Tranche 1 Shares issued pursuant to the Company's existing capacity available under Listing Rule 7.1 (being the subject of Resolution 1(a)); and

(b) 7,507,342 Tranche 1 Shares issued pursuant to the Company's existing capacity available under Listing Rule 7.1A (being the subject of Resolution 1(b)).

The remaining 10,000,000 Placement Shares are to be issued as part of Tranche 2 of the Placement (**Tranche 2 Shares**), subject to approval by Shareholders as detailed in Resolution 2.

3.1.2 Lead Manager Mandate

The Placement was managed by Xcel Capital Pty Ltd (ACN 617 047 319) and ARQ Capital Pty Ltd (ACN 135 397 796) (together, the **Joint Lead Managers**) who pursuant to the terms of a capital raising and corporate advisory engagement with the Company (**Lead Manager Mandate**) will receive the following fees in respect of the Placement:

(a) (**Management Fee**): The Company will pay the Joint Lead Managers a cash fee of $60,000.

(b) (**Placement Selling Fee**): The Company will also pay the Joint Lead Managers 6% of the total funds raised from the Placement.

(c) (**Options**): The Company will issue 7,500,000 Options to the Joint Lead Managers (and/or their nominees) exercisable at $0.075, expiring on 30 June 2027, to be shared equally between the Joint Lead Managers (**Joint Lead Manager Options**). The Company is seeking shareholder approval for the issue of the Joint Lead Manager Options under Resolution 4.

The Lead Manager Mandate otherwise contains terms considered standard for an agreement of this nature.

3.2 Purpose and Use of Funds

The Company has confirmed the funds raised from the Placement will be partially directed towards funding the acquisition of two highly prospective Canadian lithium exploration projects (the subject of Resolutions 3 and 4) 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 the Company's existing Lachlan Fold Belt projects in NSW, to cover costs of the Placement and for working capital.

3.3 ASX Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions which are contained in Listing Rule 7.2 (which do not apply in the circumstance of this Resolution), Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The Placement does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which the Shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

3.4 ASX Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolutions 1(a) and 1(b) seeks Shareholder approval for the ratification of the issue of the Tranche 1 Shares under and for the purpose of Listing Rule 7.4.

3.5 Technical Information required by Listing Rule 14.1A

If Resolutions 1(a) and 1(b) are passed, the Tranche 1 Shares issued will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolutions 1(a) and 1(b) are not passed, the Tranche 1 Shares issued will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date. See also section 3.7 below.

3.6 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1(a) and 1(b):

(a) The Tranche 1 Shares were issued to sophisticated and professional investors who are clients and contacts of the Joint Lead Manager, none of whom are related parties, members of Key Management Personnel or substantial holders of the Company (nor Associates of any of these persons);

(b) a total of 20,000,000 Tranche 1 Shares were is:

  (i) 12,492,658 Tranche 1 Shares issued pursuant to Listing Rule 7.1;

  (ii) 7,507,342 Tranche 1 Shares issued pursuant to Listing Rule 7.1A;

(c) the Tranche 1 Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;

(d) the Tranche 1 Shares were issued on 29 March 2023;

(e) the issue price was $0.05 per Tranche 1 Share;

(f) the purpose of the Placement has been detailed in Section 3.2 above;

(g) the Tranche 1 Shares were not issued under an agreement; and

(h) a voting exclusion statement is set out in the Notice, which precludes any persons who participated in the issue Tranche 1 Shares and their associates from voting on Resolutions 1(a) and 1(b).

3.7 Board Recommendation

The Directors of the Company believe Resolutions 1(a) and 1(b) are in the best interests of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of those Resolutions.

3.8 Conditional Resolutions

Resolution 1(a), Resolution 1(b), Resolution 2 and Resolution 4 relate to the Company's capital raising via the Placement (**Capital Raising Resolutions**). The Capital Raising Resolutions are inter-conditional, meaning that the passing of each of these resolutions is conditional on the passing of all of the other Capital Raising Resolutions. Accordingly, if any one of the Capital Raising Resolutions is not passed, none of the other Capital Raising Resolutions will be passed.

4. Resolution 2 – Approval of Share Issue – Tranche 2 Placement Shares

4.1 General

As outlined in Section 3.1 above, subject to the Company obtaining prior shareholder approval, the Company intends to issue a further 10,000,000 Shares at an issue price of $0.05 per Share to raise $500,000 issued under the Placement (being the Tranche 2 Shares).

Further details regarding the Placement are specified in Section 3.1 above.

4.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 3.3 above.

4.3 Technical Information required by Listing Rule 14.1A

If Resolution 2 is passed, the Tranche 2 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the Company will not be able to issue the Tranche 2 Shares. See also section 3.7 above.

4.4 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

(a) The Tranche 2 Shares will be issued to sophisticated and professional investors who are clients and contacts of the Joint Lead Manager, none of whom are related parties, members of Key Management Personnel or substantial holders of the Company (nor Associates of any of these persons);

(b) the maximum number of Tranche 2 Shares to be issued under Resolution 2 is up to 10,000,000;

(c) the Tranche 2 Shares to be issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Tranche 2 Shares will be issued no later than three (3) months after the date of the Meeting and it is intended that the issue will occur on the same date;

(e) the issue price is $0.05 per Tranche 2 Share;

(f) the purpose of the issue of the Tranche 2 Share is to raise funds consistent with Section 3.2 above;

(g) the Tranche 2 Shares will not be issued under an agreement;

(h) the Tranche 2 Shares are not being issued under, or to fund, a reverse takeover; and

(i) a voting exclusion statement is included in Resolution 2 of this Notice.

4.5 Board Recommendation

The Directors of the Company believe Resolution 2 is in the best interests of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

5. Resolution 3 – Approval to issue Consideration Shares to Vendors

5.1 General

As announced on 17 March 2023, XS Minerals Ltd (ACN 655 915 736) (**XSM**) and the Company agreed to enter into a binding term sheet, for the Company to acquire and assume 100% of the rights and obligations of XSM under two heads of agreement, entered into by XSM and Gravel Ridge Resources Ltd (OCN 5015793) and Mr Perry English (collectively, the **Canadian Vendors**) (collectively, the **Heads of Agreement**) (**Acquisition Agreement**). Pursuant to the Acquisition Agreement, the Company will seek to acquire 100% of the legal and beneficial interest in the Kember Lake Lithium Project and Ruddy Lithium Project (**Acquisition**) (collectively, the **Projects**).

The Acquisition is comprised of two projects being the Projects, with XSM's interest in the Projects arising as a result of the Heads of Agreement entered into with the Canadian Vendors.

The material terms of the Acquisition Agreement are set out in Schedule 2.

In consideration for the Acquisition, the Company agreed to issue XSM (and/or its nominees) and the Canadian Vendors a total of 34,905,660 Shares (representing consideration of $1,850,000, based on a deemed issue price of $0.053, being the 10-day VWAP as calculated for the 10 days prior to the date of the Acquisition Agreement) (**Consideration Shares**).

Resolution 3 seeks shareholder approval for the issue of up to 34,905,660 Consideration Shares, comprised of:

(a) 33,018,868 Consideration Shares (**XSM Consideration Shares**) to be issued to XSM (and/or its nominees); and

(b) 1,886,792 Consideration Shares (**Canadian Vendor Consideration Shares**) to be issued to the Canadian Vendors (and/or their nominees).

5.2 Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 3.3 above.

5.3 Technical Information required by Listing Rule 14.1A

If Resolution 3 is passed, the Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 3 is not passed, the Company will not be able to issue the Consideration Shares.

5.4 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

(a) the Consideration Shares will be issued as follows:

(i) the XSM Consideration Shares will be issued to XSM (and/or its nominees); and

(ii) the Canadian Vendor Consideration Shares will be issued to the Canadian Vendors (and/or their nominees).

None of the recipients of the Consideration Shares are related parties, members of Key Management Personnel or substantial holders of the Company (nor Associates of any of these persons).

(b) the maximum number of Consideration Shares to be issued under Resolution 3 is 34,905,660;

(c) no funds will be raised from the issue of the Consideration Shares as the Consideration Shares will be issued as consideration for the Acquisition (at a deemed issue price of $0.053 (5.3 cents) per Share);

(d) the Consideration Shares to be issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the Consideration Shares will be issued no later than three (3) months after the date of the Meeting and it is intended that the issue will occur on the same date;

(f) the purpose of the issuing the Consideration Shares is to satisfy the Company's obligations under the Acquisition Agreement;

(g) a summary of the material terms of the Acquisition Agreement is set out in Schedule 2;

(h) the Consideration Shares are not being issued under, or to fund, a reverse takeover; and

(i) a voting exclusion statement is included in Resolution 3 of this Notice.

5.5 Board Recommendation

The Directors of the Company believe Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

6. Resolution 4 – Approval to issue Lead Manager Options

6.1 General

Refer to Sections 3.1.1 and 3.1.2 (respectively) above for a summary of the Placement and the Company's engagement of the Lead Manager pursuant to the Lead Manager Mandate.

Resolution 4 seeks Shareholder approval for the issue of 7,500,000 unlisted Options to the Joint Lead Manager (and/or their nominees) (**Joint Lead Manager Options**). The purpose of the issue of these options is not to raise funds, (given the Joint Lead Manager Options will be issued at a nominal price of $0.00001 each) but as part consideration for the services provided by the Joint Lead Managers under the Lead Manager Mandate.

6.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 3.3 above.

6.3 Technical Information required by ASX Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Joint Lead Manager Options to the Joint Lead Managers (and/or their nominees). In addition, the issue of the Joint Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Joint Lead Manager Options to the Joint Lead Managers. See also section 3.7 above.

6.4 Technical Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

(a) The Joint Lead Manager Options will be issued to the Joint Lead Managers, none of whom are related parties, members of Key Management Personnel or substantial holders of the Company (nor Associates of any of these persons);

(b) the maximum number of Joint Lead Manager Options to be issued to the Joint Lead Managers (and/or their nominee) is 7,500,000 Options;

(c) the Joint Lead Manager Options will be issued no later than 3 months after the date of the Meeting and it is intended that allotment will occur on the same date, being the completion of the Placement;

(d) the Joint Lead Manager Options will be issued for nominal cash consideration of $0.00001 each, as part of the consideration for the services provided by the Joint Lead Managers in respect of the Placement and services under the Lead Manager Mandate. Accordingly, no material funds will be raised from the issue of the Joint Lead Manager Options;

(e) the Joint Lead Manager Options will be issued on the terms and conditions specified in Schedule 3;

(f) the issue of the Joint Lead Manager Options are issued pursuant to the Lead Manager Mandate, the key terms of which are set out in Section 3.1.2;

(g) the Joint Lead Manager Options are not being issued under, or to fund, a reverse takeover; and

(h) a voting exclusion statement is included for Resolution 4 of the Notice.

6.5 Board Recommendation

The Directors believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

SCHEDULE 1– Definitions

In this Notice and the Explanatory Memorandum:

$ means Australian Dollars.

Acquisition has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Acquisition Agreement has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

Board means the board of Directors.

Business Day means:

(a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and

(b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Canadian Vendors means Gravel Ridge Resources Ltd (OCN 5015793) and Mr Perry English.

Canadian Vendor Consideration Shares has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Capital Raising Resolutions means Resolution 1(a), Resolution 1(b), Resolution 2 and Resolution 4.

Chair means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

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

Consideration Shares has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Constitution means the constitution of the Company as at the commencement of the Meeting.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Heads of Agreement has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Joint Lead Managers has the meaning given to it in Section 3.1.2 of the Explanatory Memorandum.

Joint Lead Manager Options has the meaning given to it in Section 3.1.2 of the Explanatory Memorandum.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Lead Manager Mandate has the meaning given to it in Section 3.1.2 of the Explanatory Memorandum.

Listing Rules or **ASX Listing Rules** means the listing rules of ASX.

Meeting or **General Meeting** has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

NSR has the meaning given to it in Schedule 2, paragraph (a).

Placement has the meaning given to it in Section 3.1.1 of the Explanatory Memorandum.

Placement Shares has the meaning given to it in Section 3.1.1 of the Explanatory Memorandum.

Projects has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning set out in the ASX Listing Rule 10.11.

Resolution means resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Tranche 1 Shares has the meaning given to it in Section 3.1.1 of the Explanatory Memorandum.

Tranche 2 Shares has the meaning given to it in Section 3.1.1 of the Explanatory Memorandum.

WST means Western Standard Time, being the time in Perth, Western Australia.

XSM means XSM Minerals Ltd (ACN 655 915 736).

XSM Consideration Shares has the meaning given to it in Section 5.1 of the Explanatory Memorandum.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

SCHEDULE 2 – Material Terms of the Acquisition Agreement

The material terms of the Acquisition Agreement are set out below:

(a) (**Consideration**): Subject to satisfying the Conditions Precedent, the Company agrees to issue:

(i) XSM a total of AUD$1,850,000 worth of fully paid ordinary shares in the capital of the Company at a deemed issue price of the 10-day VWAP per Consideration Share, as calculated for the 10 days prior to the date of the Acquisition Agreement (subject to a floor price of AUD$0.05). The Parties acknowledge and agree that XSM will nominate AUD$100,000 of the Consideration Shares to the Canadian Vendors in satisfaction of XSM's existing equity consideration obligations under the Heads of Agreement;

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

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

The Parties acknowledged and agreed the consideration payable under the Acquisition Agreement is made in full satisfaction of all of XSM's outstanding consideration obligations owed by XSM to the Canadian Vendors under the Heads of Agreement.

Additionally, at Settlement, 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.

(b) (**Conditions Precedent**): The Acquisition is subject to and conditional upon the following material conditions precedent:

(i) the Company completing a capital raising of up to AUD$1,500,000 (before costs) (this condition will be satisfied, subject to the passing of Resolutions (1a), 1(b) and 2);

(ii) the Company, Canadian Vendors and XSM entering into the Deed of Assignment for the purpose of amending each of the Heads of Agreement to ensure consistency with the Acquisition Agreement (this condition has been satisfied);

(iii) SLZ obtaining all necessary regulatory and shareholder approvals/waivers that are required to implement the transaction contemplated by the Acquisition; and

(iv) SLZ and XSM entering into royalty deeds in respect of the NSRs (based on the Model Framework Minerals Royalty Deed published by the Energy and Resources Law Association (formerly AMPLA).

(c) The Company will pay the following fees (divided equally) to ARQ Capital Pty Ltd and Xcel Capital Pty Ltd (and/or their nominees):

(i) a transaction management fee of AUD$60,000 plus GST for its services in respect of managing the Acquisition, payable upfront upon the signing of the Acquisition Agreement; and

(ii) a corporate advisory fee of 6% plus GST of the total value of the Consideration, payable at settlement.

The Acquisition Agreement otherwise contains terms and conditions standard for an agreement of this nature.

Schedule 3 – Terms of the Joint Lead Manager Options

The terms and conditions of the Joint Lead Manager Options are as follows:

(a) (**Entitlement**): Each Option gives the holder the right to subscribe for one Share.

(b) (**Expiry Date**): The Options will expire at 5.00pm (WST) on 30 June 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) (**Exercise Price**): Subject to paragraph (j), the amount payable upon exercise of each Option is $0.075 per Option.

(d) (**Exercise**): A holder may exercise their Options by lodging with the Company, before the Expiry Date:

(i) a written notice of exercise of Options specifying the number of Options being exercised; and

(ii) an electronic funds transfer for the Exercise Price for each Option being exercised;

(e) (**Exercise Notice**): An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.

(f) (**Timing of issue of Shares on exercise**): Subject to the Corporations Act, the Listing Rules and these terms and conditions, within 10 Business Days of receipt of the Exercise Notice accompanied by the appropriate Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(g) (**Transferability**): The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.

(h) (**Ranking of Shares**): All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.

(i) (**Quotation**): The Options will not be quoted. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 5 business days after the date of issue of those Shares.

(j) (**Reconstruction**): In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.

(k) (**Participation rights**): There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) (**Amendments**): An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

SULTAN
RESOURCES

Sultan Resources Limited | 35 623 652 522

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10:00am (WST) on Sunday, 7 May 2023,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at
https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the General Meeting of Sultan Resources Limited, to be held at **10:00am (WST) on Tuesday, 9 May 2023 at Mirador Corporate, Suite 11, Level 2, 23 Railway Rd, Subiaco, Western Australia 6008** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2 – Your voting direction

Resolutions		For	Against	Abstain
1a.	Ratification of Prior Issue of Tranche 1 Placement Shares – Listing Rule 7.1	☐	☐	☐
1b.	Ratification of Prior Issue of Tranche 1 Placement Shares – Listing Rule 7.1A	☐	☐	☐
2.	Approval of Share Issue – Tranche 2 Placement Shares	☐	☐	☐
3.	Approval to issue Consideration Shares to Vendors	☐	☐	☐
4.	Approval to issue Joint Lead Manager Options	☐	☐	☐

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

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

AUTOMIC

SLZ