Sultan Resources Ltd

CORPORATE DETAILS

ASX Code: SLZ

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SULTAN
RESOURCES

ASX ANNOUNCEMENT

25th July 2023

PRIORITY ZONE IDENTIFIED AT RUDDY LITHIUM PROJECT, NORTH-WESTERN ONTARIO

- **Apex Geoscience have completed first pass reconnaissance exploration of the Ruddy Project in North-Western Ontario.**
- **Complete field observations have now been received, with multiple pegmatite occurrences noted up to 30m outcrop and up to 15m width.**
- **Evidence of evolved pegmatite forms noted, with fractionation minerals in the form of apatite and/or beryl observed from limited outcrop.**
- **Fifty-five pegmatite localities sampled within the tenure.**
- **157 Samples in total delivered to ALS laboratory in Canada for multi-element analysis, including gold.**
- **Priority zone for further work identified.**

Sultan Resources Ltd (ASX:SLZ or **Company**) is pleased to advise that an initial phase of reconnaissance exploration undertaken by Apex Geoscience (**Apex**) has concluded at the Company's Ruddy Project in North Western Ontario (refer Figures 1, 2, 3) where the Company has now established a priority exploration target from the interpreted (Lithium-Caesium-Tantalum (**LCT**) "Goldilocks Zone" surrounding the Allison Lake Batholith.

Apex utilised four helicopter-supported geologists to conduct reconnaissance over the project, sampling priority outcrop, including pegmatitic occurrences for lithium and associated elements; and veining (for gold) where appropriate. Progress was assisted by a recent burn in the area which increased visibility from the air, although thick deadfall (stacked fallen trees) up to 1.5m height and new growth slowed ground traverses.

Apex geologists observed multiple pegmatite occurrences of up to 30m outcrop and up to 15m width within the initial area of focus. Evidence of pegmatite fractionation minerals in the form of apatite or

beryl were observed in the field from limited available outcrop, which was generally heavily covered by mosses and lichen. Apex collected a total of 157 samples over 8 days in the field, with over 35% (55 samples) taken from pegmatitic occurrences (refer Figures 1 and 2). The samples have been submitted to ALS laboratories in Canada for multi-element analysis including gold. The Company intends to use resultant lithium values and geochemical markers such as K/Rb ratios to focus additional fieldwork to discover possible covered mineralised LCT pegmatites.

Sultan has recently received complete field observations from Apex geologists and continues to work through the observations. In addition, analysis and interpretation by Sultan has recently incorporated the field work of Fingas[1], whom spent 2 days 'straight-line' traversing a portion of the tenement in 2021 (refer Figure 2) as part of a larger pegmatite survey of the northern Allison Batholith area. Fingus noted 6 additional pegmatites outside the Apex pegmatite localities, and one coincident occurrence, highlighting the difficulty in observing outcrop at Ruddy and that more field work will be required after this first phase of reconnaissance. The combined observations support a priority zone of interest within the original LCT Goldilocks interpretation, radially distributed from the northern portion of the Allison Batholith.

As recently advised (refer ASX Announcement 28/6/2023) the Company has opted to delay reconnaissance activities at its Kember Project (refer Figures 4 and 5) after one of four First Nation groups with established rights in the area requested additional time to inform its members of planned activities. The Company will deliver a revised timetable for this exploration in due course, ideally to combine with the mobilisation of Apex after receipt and assessment of Ruddy assay results, as the daily helicopter flight to Kember will pass over Ruddy.

Sultan's Chairman, Mr Jeremy King, commented:

"We are very pleased that initial observations at Ruddy have confirmed and refined a priority target area within the previously interpreted LCT Goldilocks Zone, and we eagerly await assay laboratory results to further focus our on-ground activity within the tenure."



Photo 1. Aerial view across Ruddy Project looking East, Ruddy Lake in background.

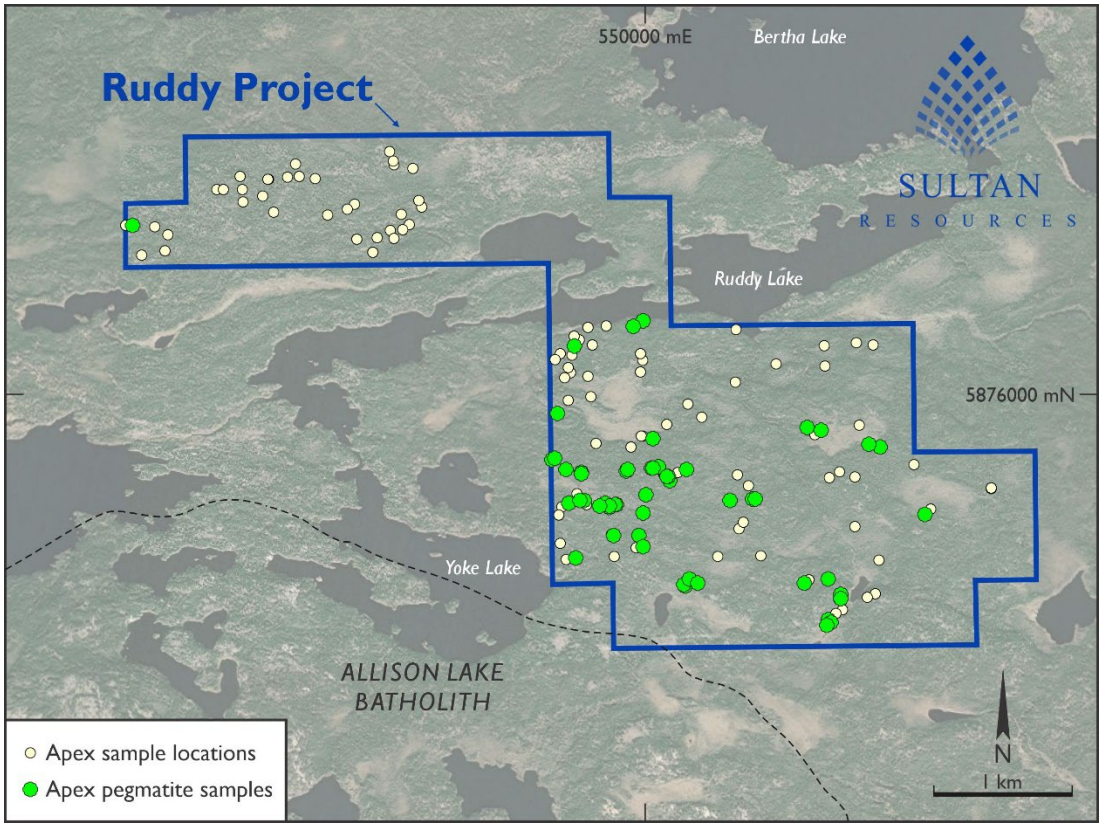


Figure 1: All sampled sites at Ruddy Project in relation to tenure at completion of June 2023 reconnaissance.

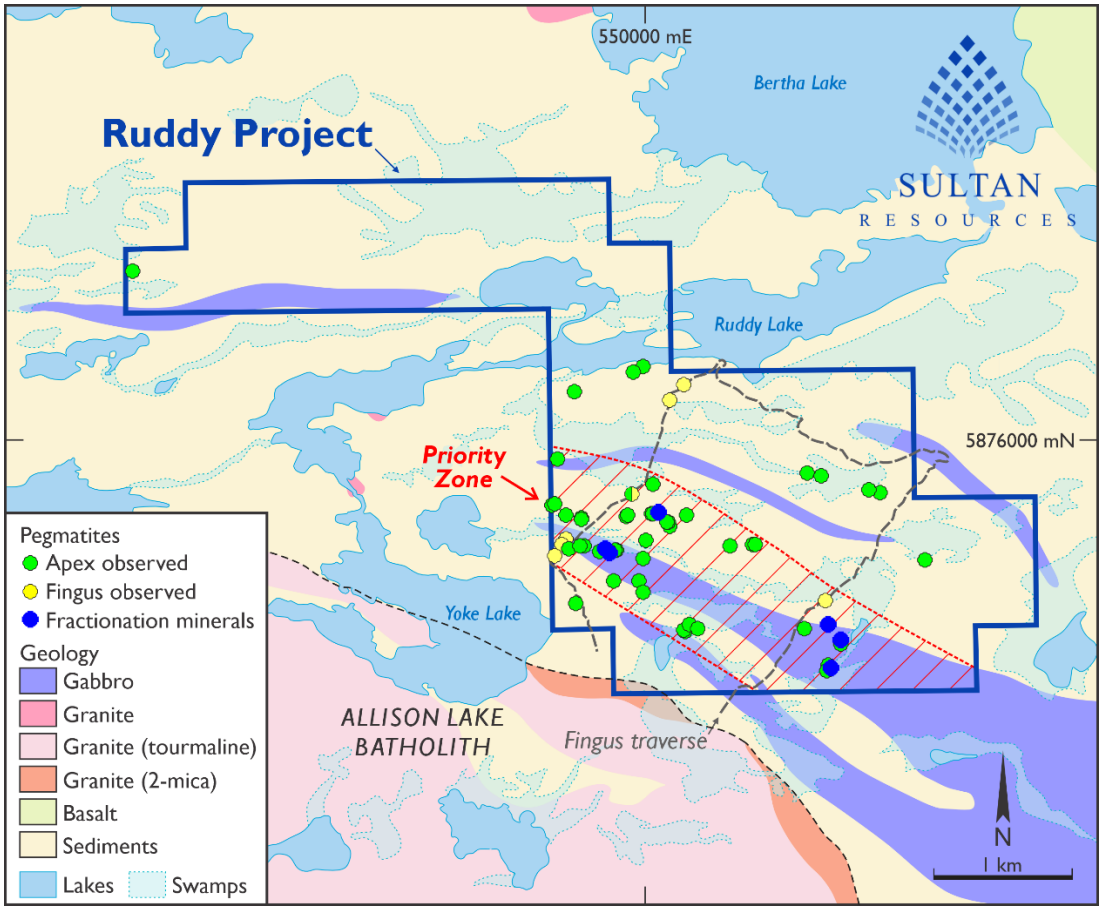


Figure 2: Observed Pegmatite sites at Ruddy Project; evolved pegmatites with fractionation minerals denoted by darker blue locations. Priority Zone area of focus for LCT Pegmatites in hatched area. Geology after Fingus, 2022.



Photo 2. Vertical aerial view, pegmatite outcrop example, Ruddy Project, visible outcrop estimate 30m length.



Photo 3. Oblique aerial view, additional pegmatite outcrop example, Ruddy Project, highlighting 'deadfall' and vigorous regrowth covering outcrop.

About the Ruddy Lithium Project

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

Although there has been no documented exploration over the Ruddy Project claims, previous study of the area by the Ontario Geological Survey (Breaks *et al* 2003[2]) described the margin of the Allison Lake Batholith at the time as "…an important new exploration target for rare-element mineralization and is the largest such granite thus far documented in Ontario…".

Breaks *et al* 2003[2] considered the margin of the Batholith had high potential for further discoveries of rare element mineralization that could occur in exo-contact, metasedimentary-hosted pegmatites or as internal pegmatites within the parent granite, particularly in light of the common regional zonation sequence of rare-element pegmatites from beryl-rich into lithium-rich types. This typically includes spodumene-type pegmatites in an interpreted 'LCT Goldilocks Zone' of increased fractionation from the parent granite. With recent renewed interest in rare element mineralisation, the prospective Allison Batholith has emerged as a fully staked, multi-company, battery mineral exploration region.

Reports by Green Technology Metals[3] describe the identification of the spodumene-bearing Ouroboros Pegmatites approximately 10km southwest of the Ruddy Project (refer Figure 4) in a similar geological setting, which the Company considers highly encouraging. The Company intends to focus priority exploration at Ruddy at outcrop within the interpreted LCT Goldilocks Zone surrounding the Allison Lake Batholith, covering approximately 3.5km of east-west strike in the centre to south of the Company's Project.

About the Kember Lake Lithium Project

The Kember Project (Figures 3 and 5) is located in the province of Ontario about 180km north of the town of Red Lake, covering an area of around 30km^2. Demonstrating the prospectivity of this area, the Kember Project is located about 8km from the PAK/Bolt/Spark lithium deposits of Frontier Lithium Inc. (Frontier) and is contiguous with this project tenure.

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

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

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



Figure 3: Location of Kember and Ruddy Projects in relation to known Lithium deposits, Northwest Ontario

N.B. PAK (TSXV:FL) total resource taken from NI43-101 instrument effective April 28, 2023
Mavis resource (ASX:CRR) taken from ASX release dated June 7, 2023
Root Bay, Seymour Lake and McCombe resources (ASX:GT1) taken from ASX release dated May 5, 2023
Georgia Lake (TSXV:RCK) total resource taken from Georgia Lake Project: Pre-Feasibility Study Nov 22, 2022
Separation Rapids (TSX:AVL) total resource taken from NI43-101 instrument effective Sept 26, 2018
Jackpot (Imagine Lithium- private) estimate taken from Ontario Mineral Inventory Record: MDI42E05SW00019; resource is historic and not compliant with formal resource reporting.

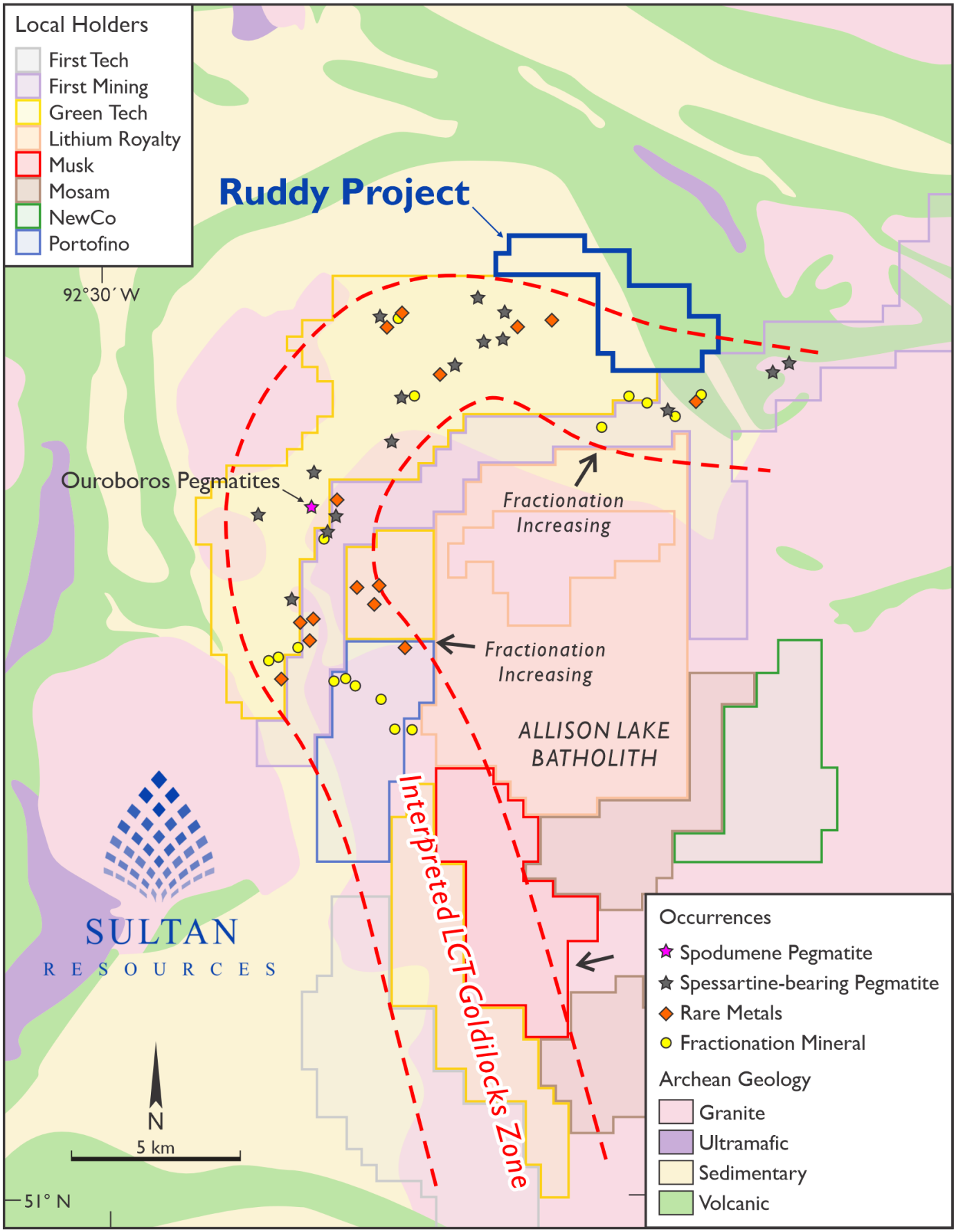


Figure 4: Location of Ruddy Project in relation to regional geology, known pegmatite occurrences (detail sourced from ASX:GT1 Announcement on 24/01/2022), and neighbouring tenure holders.

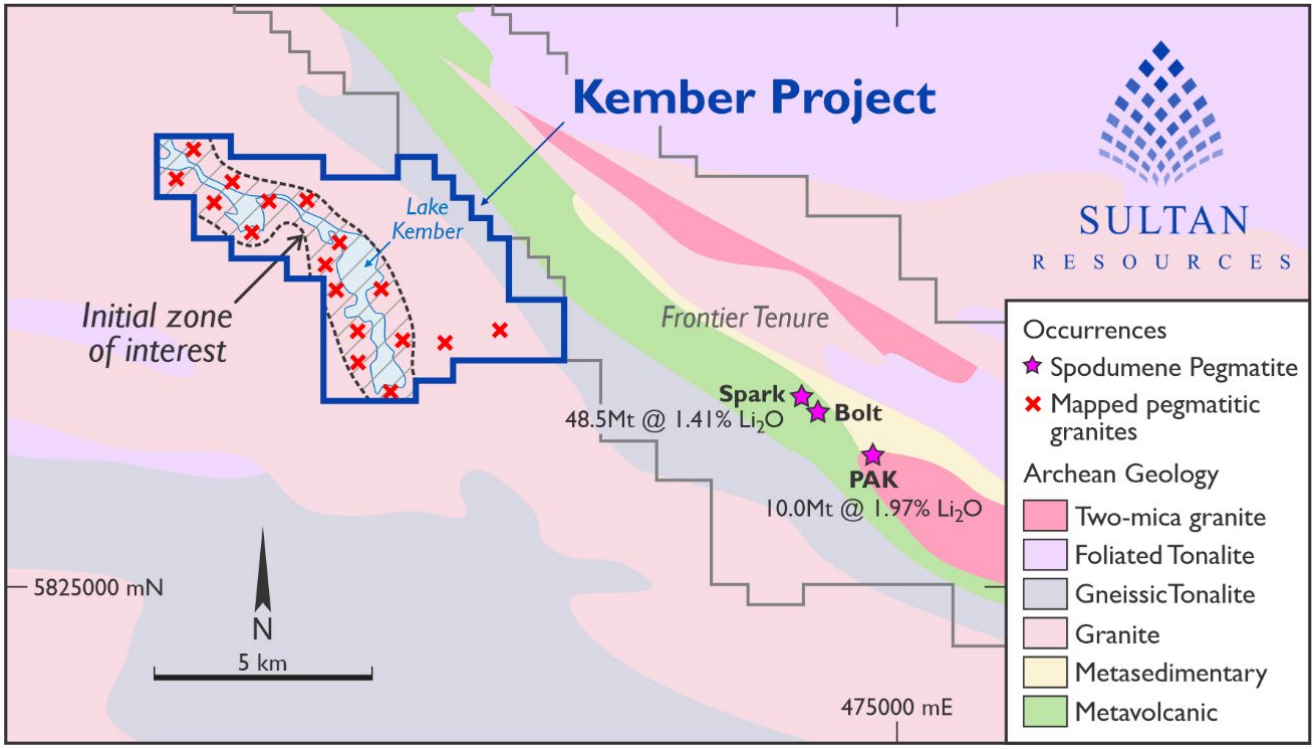


Figure 5: Location of Kember Project in relation to regional geology and known spodumene-hosted Lithium deposits, Northwest Ontario.

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

Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Resources enters agreement to acquire 100% interest in highly prospective Canadian lithium exploration ground in Ontario, Canada" dated 17/03/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Completes Acquisition of Canadian Lithium Projects" dated 25/05/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Sultan Appoints Experienced Canadian Geological Team" dated 1/06/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Multiple mapped pegmatitic occurrences Kember Lithium Project" dated 14/06/2023
Sultan (ASX:SLZ) ASX Announcement: 2023 "Multiple Pegmatites observed at Ruddy Lithium Project" dated 26/06/2023

References

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

This announcement is authorised by the Board of Sultan Resources Ltd

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Cautionary Statement: Investors are cautioned that information contained within this release in respect of pegmatite occurrences is not necessarily indicative of lithium mineralization on the property, and that preliminary exploration observations will need to be backed by laboratory analysis to ascertain the prospectivity of the mineral claims, and there is no guarantee that a significant discovery will be made as a result of its exploration efforts.

Competent Persons Statement

The information in this ASX Announcement that relates to Exploration Results is based on information reviewed and compiled by Mr Craig Hall, a Competent Person who is a Member of the Australian Institute of Geoscientists, and a full-time employee of Sultan Resources. Mr Hall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hall consents to the inclusion in this Announcement 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.

Disclaimer

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

About Sultan Resources

Sultan Resources is an Australian exploration company with a portfolio of quality assets in emerging discovery terranes. Sultan's tenement portfolio includes recently acquired lithium-prospective claims in NW Ontario in Canada; a tenement package in the southern terrane region of the Yilgarn Craton in the eastern wheatbelt of Western Australia with priority nickel-cobalt and gold targets, where Rio Tinto have recently formalised a farm-in JV on a central tenement; and tenements located in the highly prospective east Lachlan Fold Belt of Central NSW considered prospective for copper and gold. Sultan's board and management is committed to the responsible discovery of metals via modern exploration techniques, and to add value to these projects for the benefit of the company and its shareholders.

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Not Applicable, reporting exploration mapping only
Drilling techniques	• Not Applicable, reporting exploration mapping only
Drill sample recovery	• Not Applicable, reporting exploration mapping only
Logging	• Not Applicable, reporting exploration mapping only
Sub-sampling techniques and sample preparation	• Not Applicable, reporting exploration mapping only
Quality of assay data and laboratory tests	• Not Applicable, reporting exploration mapping only
Verification of sampling and assaying	• Not Applicable, reporting exploration mapping only
Location of data points	• Coordinates are generated from georeferenced mapping, with associated uncertainty**.** Sample points located using handheld GPS. Project locations fall in UTM N83 Zone 15.
Data spacing and distribution	• Not Applicable, reporting exploration mapping only
Orientation of data in relation to geological structure	• Not Applicable, reporting exploration mapping only
Sample security	• Not Applicable, reporting exploration mapping only
Audits or reviews	• Not Applicable, reporting exploration mapping only

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• The Kember Project consists of 6 granted Multi-cell Mineral Claims (705989-705994) licences held by Gravel Ridge Resources Ltd (705989-991) and Perry Vern English (705992-994) respectively for XS Minerals Ltd (XSM). The Kember Project falls within the Sandy Lake First Nation (SLFN), North Spirit Lake First Nation (NSFN), Deer Lake First Nation (DLFN) and Keewaywin First Nation (KFN) ancestral homelands.

Criteria	Commentary
	• The Ruddy Project consists of 3 granted Multi-cell Mineral Claims (711362-711364) licences held by Perry Vern English for XS Minerals Ltd (XSM). The Ruddy Project falls within the Cat Lake First Nation (CLFN), Wabauskang First Nation (WFN), and Lac Seul First Nation (LSFN) ancestral homelands. • Details surrounding the agreement to purchase the Kember and Ruddy Projects is listed in ASX:SLZ announcement dated 17th March 2023 "Sultan Resources enters agreement to acquire 100% interest in highly prospective Canadian lithium exploration ground in Ontario, Canada". • The Company announced completion of the Kember and Ruddy Projects acquisition on May 25th 2023.
Exploration done by other parties	• Initial observations on the Alison Lake Batholith was completed by the Geological Survey of Ontario by the referenced 2003 report by Breaks *et al*. • Several days of prospecting by John Fingus on the Ruddy Project was completed in 2021, and summarised in his referenced March 2022 Assessment Report on Crown Land for the Costello Lake Area – 2021 Prospecting Program. • Observations by Green Technology Metals (ASX:GT1) are referenced in relation to their proximity to the Ruddy Project, based on work completed by Fingus. • Exploration over the Kember tenement related to this announcement are attributed to mapping by the Geological Survey of Ontario.
Geology	The Company is targeting: • LCT Pegmatite mineralisation hosted within granite/sediment/greenstone terranes of Archaean age,
Drill hole Information	• Not Applicable, reporting exploration mapping only
Data aggregation methods	• Not Applicable, reporting exploration mapping only
Relationship between mineralisation widths and intercept lengths	• Not Applicable, reporting exploration mapping only
Diagrams	• Refer to maps and photos included in this report
Balanced reporting	• Further detail can be gained from reports referenced or from individual company websites.
Other substantive exploration data	• More detailed geological review will follow in subsequent reporting
Further work	• Discussed in this report • Refer figures in the report