

June 09, 2010

The Manager,  
Company Announcement Office,  
Australian Stock Exchange Limited.

## **SULTAN ACQUIRES POLYMETALLIC ZINC-LEAD-COPPER-SILVER DEPOSIT IN MONTENEGRO**

The Directors of Sultan Corporation are delighted to announce the grant of a 25 year exploration and mining lease of the Brskovo Lead and Zinc Complex (MB Project) in Montenegro. This project, estimated to be 20 times larger than our existing New South Wales assets, was acquired on extremely favourable terms.

### **Highlights include:**

- Estimated 7.7 to 9.6 Million Tonnes of Zn-Pb-Cu-Ag Mineralisation;
- Total Acquisition Cost 120,000 Euro;
- MB Project contains 5 Large Already Defined Deposits;
- Excellent Potential to make New Discoveries;
- Company Tax in Montenegro Set at 9%; and
- Low Sovereign Risk.



Figure 1 & 2 - Location of MB Project, Montenegro



## **MB Project Overview**

The acquisition of the MB Project significantly enhances Sultan's assets. The Project is approximately twenty (20) times the size of the Peelwood North asset. It offers Sultan immediate potential for commercial exploitation due to its previous mining history and infrastructure already being partially established.

Based on its technical review, Sultan's estimation of the tonnage of mineralized material at the exploration target site is:

***\* 7.7 to 9.6 million tonnes of mineralization ranging from***

***2.3-2.7% Zn;***

***1.5-2.7% Pb;***

***0.20-0.23% Cu; and***

***17-24 g/t Ag***

**\* The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.**

***The above range of tonnage and grade figures for the exploration target size at Brskovo are based on four main deposits of the former "Brskovo" mine as defined in the official tender documents of the Montenegro Department of Economy. These documents also define a broader "Brskovo" mine exploration area with additional less explored deposits and occurrences. The overall metal endowment is large and there is potential for substantial additional zinc-lead-silver mineralised material within the historical Brskovo Mine and surrounding exploration project areas.***

Sultan negotiated very favourable acquisition terms directly with the Government of Montenegro. The total acquisition cost of the MB Project was 120,000 Euro.

Based on its technical review of the MB Project, the Directors of Sultan believe:

- It will be a relatively simple process to convert to JORC resource; and
- Provides an opportunity to establish a mid size mining operation within the next 2-3 years.

*(\*Please note: Statement based on a detailed review of the MB Project undertaken by Sultan prior to the tender process conducted by the Ministry of Economy Montenegro).*



*Figure 3 –Historical Open Cut Pit*



## MB Project Assets

The MB Project (100% Sultan owned) is in the eastern part of Montenegro located a few kilometres from the town of Mojkovac in the municipality of the same name. It has a population of 4,120 (2003 census) and lies approximately 100km from the capital city of Podgorica. Mojkovac is linked by rail and road between Podgorica and Belgrade, Serbia.

The MB Project ore field (100% Sultan owned) is a significant mineralized region and consists of many mineral occurrences including a number of medium to large individual deposits:

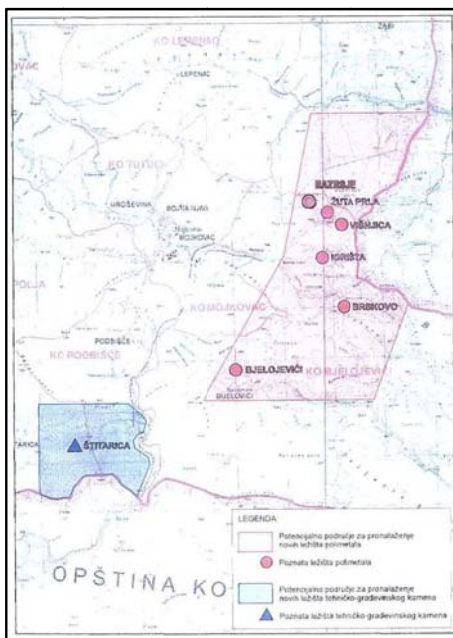


Figure 4 - MB Project Ore Field

- Brskovo;
- Zuta Prla;
- Visnjica;
- Razvršje; and
- Igriste.

These deposits all occur within 5 kilometres of each other.

There has been no real exploration since the late 1970's and work from 1976-1991 consisted of mining and development work at Brskovo and Zuta Prla. There has been no follow up work at other deposits such as Visnjica and there is considered to be excellent potential to further expand these deposits and to make new discoveries.

The near surface deposition of mineralised zones at Brskovo and Visnjica permits easy mining by conventional open cut methods. This is illustrated by the typical cross sections shown in below.

The ore bodies of the Brskovo ore field occur within the Bjelasic metallogenic region which is situated at the contact of an over thrust of Carboniferous and Permian sediments onto the Triassic formations. The ore bodies are hosted by Middle Triassic felsic volcanoclastic and carbonate rocks and consist of massive to semi-massive sulphide bodies with sphalerite and galena being the major ore minerals.

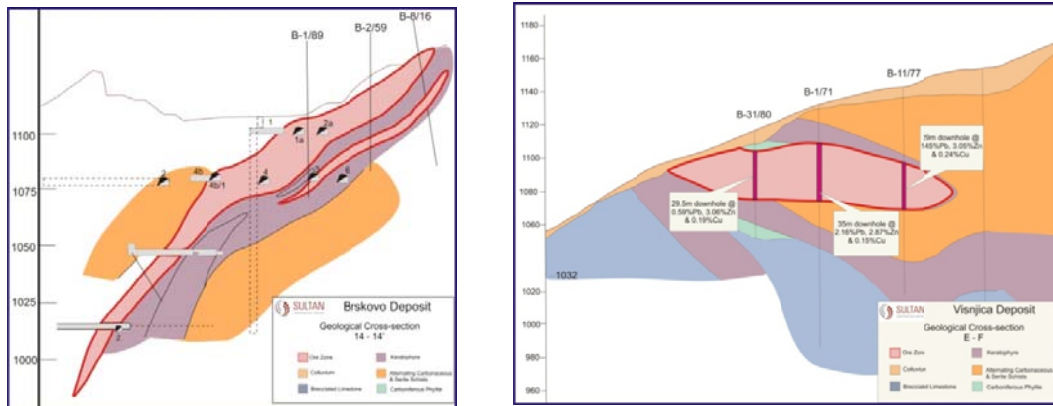


Figure 5 & 6 -Geological Cross Sections of MB Project Deposits

## Technical Review

The historical geological and mining data relating to the Brskovo ore field is held at the JU Geoloska Istrazivanja in Podgorica, Montenegro. The Geoloska Istrazivanja is the official state government organization that is responsible for the regulation of exploration and mining activities in Montenegro and holds most of the geological archives. It was the major regional office in the time of the former Yugoslav Republic before Montenegro independence. The central geological archives were located in Belgrade and some copies of data and reports related to Montenegro activities are still located there. The Ministry of Economy was responsible for organizing the tender process and it is the custodian of the official state figures for tonnes and grade of the various mineral deposits located within Montenegro.



As part of its preparation for the tender process, Kevin Alexander, Chief Geologist - Sultan Corporation, conducted a detailed review of the Brskovo mineral deposits. The review was conducted in Montenegro in conjunction with Ranko Svrkota (Grad. Geology. Eng.). Mr Svrkota worked on the Brskovo deposits in the 1980's and again more recently. He has published a number of technical reports and papers in scientific journals. Mr Svrkota was involved in the calculations that produced the official Montenegro state figures for tonnes and grades and in addition he has detailed knowledge of the historical mining. The review was predominantly conducted at the Geoloska Istrazivanja but also included a visit with Mr Svrkota to the Brskovo ore field and the nearby town of Mojkovac.



As a result of its review of the Brskovo ore field, Sultan has made an estimation of the potential total exploration target size for the field. This target size consists of estimates of the four



individual mineral occurrences of Brskovo, Zuta Prla, Visnjica and Igriste. It is stated below as a range of tonnes and grades of mineralized material. It should be read in conjunction with the accompanying notes 1 and 2 below and the proximate statement in the preceeding section MB Project Overview on page 2 of this announcement:

***7.7 to 9.6 million tonnes of mineralization ranging from 2.3-2.7% Zn, 1.5-2.7% Pb, 0.20-0.23% Cu and 17-24 g/t Ag.\****

The quality of available data is considered to be very good and Sultan anticipates a relatively easy transition to a JORC standard resource statement.

### **Accompanying Notes**

1. *The above figures are based on a detailed review of the Brskovo ore field undertaken by Sultan preparatory to the tender process conducted by the Ministry of Economy Montenegro. There has been considerable historical exploration by both surface and underground methods and a combined total of approximately 2,850,000 tonnes were mined at Brskovo and Zuta Prla.*

*The official sections and levels plans of the unexploited areas are available and it was possible to check the grades and thicknesses of the mineralized zones and to calculate surface areas, volumes and possible tonnes and to compare these with the official calculations. This was undertaken for a selection of plans and sections from the two major ore bodies of Brskovo and Zuta Prla where most of the work has been done. The review also included Visnjica and also Igriste, where relatively less exploration has been done. The lower end of the range relates to an exploration target size for Brskovo and Zuta Prla only, whereas the upper end of the range also allows for contributions from Visnjica and Igriste.*

2. *The information in this report that relates to Exploration Results is based on information compiled by Mr. Kevin Alexander. Mr. Alexander is a full time employee of Sultan Corporation Limited. Mr. Alexander is a member of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralization under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves". Mr. Alexander consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



Further information regarding Sultan Corporation can be obtained on the company website at [www.sultan.net.au](http://www.sultan.net.au)



Derek Lenartowicz  
Managing Director