

24 August 2011

SULTAN CONFIRMS McPHILLAMY'S STYLE GOLD MINERALISATION AT ELSIENORA GOLD PROJECT, NSW

***Sultan confirms presence of broad zones of near-surface gold and zinc mineralisation
Phase two exploration programme planned including deeper drilling***

International minerals company Sultan Corporation (ASX: SSC) ("Sultan" or the "Company") is pleased to advise that it has completed the initial drilling programme at its 100 per cent owned Elsenora prospect, located approximately 80 km south of Bathurst in NSW.

This initial programme was specifically designed to determine whether gold and base metal mineralisation similar to the large-scale McPhillamy's deposit, located 50km to the north, is present on its tenements. McPhillamy's is a joint venture between Newmont and Alkane Resources and has a stated resource of 3 million ounces of gold and 60,000 tonnes of copper.

Sultan's initial programme has confirmed the presence of both gold and zinc mineralisation at Elsenora and, particularly, strong similarities in the structures between Elsenora and McPhillamy's. This has given the Company the confidence to continue with further exploration to focus on potential targets for resource development.

A projection of the significant zinc and associated gold results is shown below in Figure 1 over the page while the general location of the project area is shown in Figure 2.

Sultan has noted from previous ASX Announcements relating to the McPhillamy's deposit that broad structures of low-grade gold and other base metals lie closer to surface at that project, but the stronger structures which contain the more significant gold zones occur at depth below this broad halo of mineralisation.

As such, the confirmation of similar broad zones of gold and zinc mineralisation closer to surface at Elsenora gives the Company sufficient confidence to begin planning a second phase of deeper exploration drilling that will target areas considered most prospective by the Company's geological team.



The prospect area straddles the boundary between Sultan's tenement's EL6767 and EL6082 700 metres west of the main bitumen road between Tuena and Crookwell in NSW. Significant results from the recent drilling are shown in Figure 1 below:



Figure 1 – Significant zinc and gold drilling intercepts



EXPLORATION OVERVIEW

Work conducted prior to drilling included geological mapping, stream sediment sampling and analysis of the regional geophysics, which provided strong indications that Elsenora has the potential for McPhillamy's style gold and base-metal mineralization.

The other similarities in the general geological setting include strong structural control, strong potassic alteration, and anomalous gold (Au) and zinc (Zn) geochemistry.

Drilling was conducted by Techdrill Services Pty Ltd of Orange, NSW and was completed in July 2011. A total of 10 Reverse Circulation (RC) drill holes were completed for a total of 1,865 metres. All holes have been sampled by three meter composites by splitting when dry or using a pipe spear when wet. Samples were submitted to ALS Laboratory Services Pty Ltd in Brisbane for analysis of gold by AAS. A multi-element suite including base metals was assayed by ICPMES.

Results have now been received for the three metre composites. A large zone of highly altered rocks with extensive disseminated pyrite and strongly anomalous zinc, lead and gold results has been outlined by holes SERC004, -005, -006, -007, -008 and -010.

The anomalous zone is best defined by zinc which is consistently anomalous and averages around 0.2% over very wide intervals.

The better gold results are more restricted and often occur immediately adjacent to the highest zinc results. The more significant drill results are given in Table 1 and drill holes locations and the outline of the large alteration zone is shown in Figure 3.

Sultan's current drilling programme has confirmed very strong geological similarities between the Elsenora prospect and McPhillamy's. The current drilling combined with historical drilling has outlined a consistent zone of 0.2% Zn that is 500 metres long and up to 100 metres wide as shown in Figure 3. It is open to the north and at depth.

The anomalous gold values are more restricted but occur within the zone of 0.2% Zn.

At McPhillamy's there is a very strong vertical zonation with low grade zinc and anomalous gold nearer the surface and higher grade gold with minimal zinc at depth. The deeper mineralization occurs from 100-200 metres vertical below the near-surface mineralization.



Sultan is currently designing a drill programme to test the vertical zonation model with a view to targeting higher grade gold mineralization approximately 150-200 metres below the near surface zinc-gold mineralization. This will involve an initial programme of 2-3 drill holes at 500 metres each for a total of 1,000-1,500 metres drilling.

This second phase drill programme will commence in the next two months and is expected to take two months to complete.

Commenting on the results, Sultan's Managing Director, Mike Ralston, said: "While this is still an early stage greenfields exploration project, the presence of broad zones of zinc and gold mineralisation is very encouraging and gives us sufficient confidence to go ahead with further drilling.

"The objective of the next drilling campaign will be to locate zones of higher grade gold mineralisation at depth, which would add significant value to Elsenora."

-ENDS-

For Further Information Contact:

Mike Ralston
Managing Director
Sultan Corporation
(08) 6365 4519

Nicholas Read
Read Corporate
(08) 9388 1474

1. Competent Persons Statement

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.



Figure 2: - Elsinora Prospect Location Map

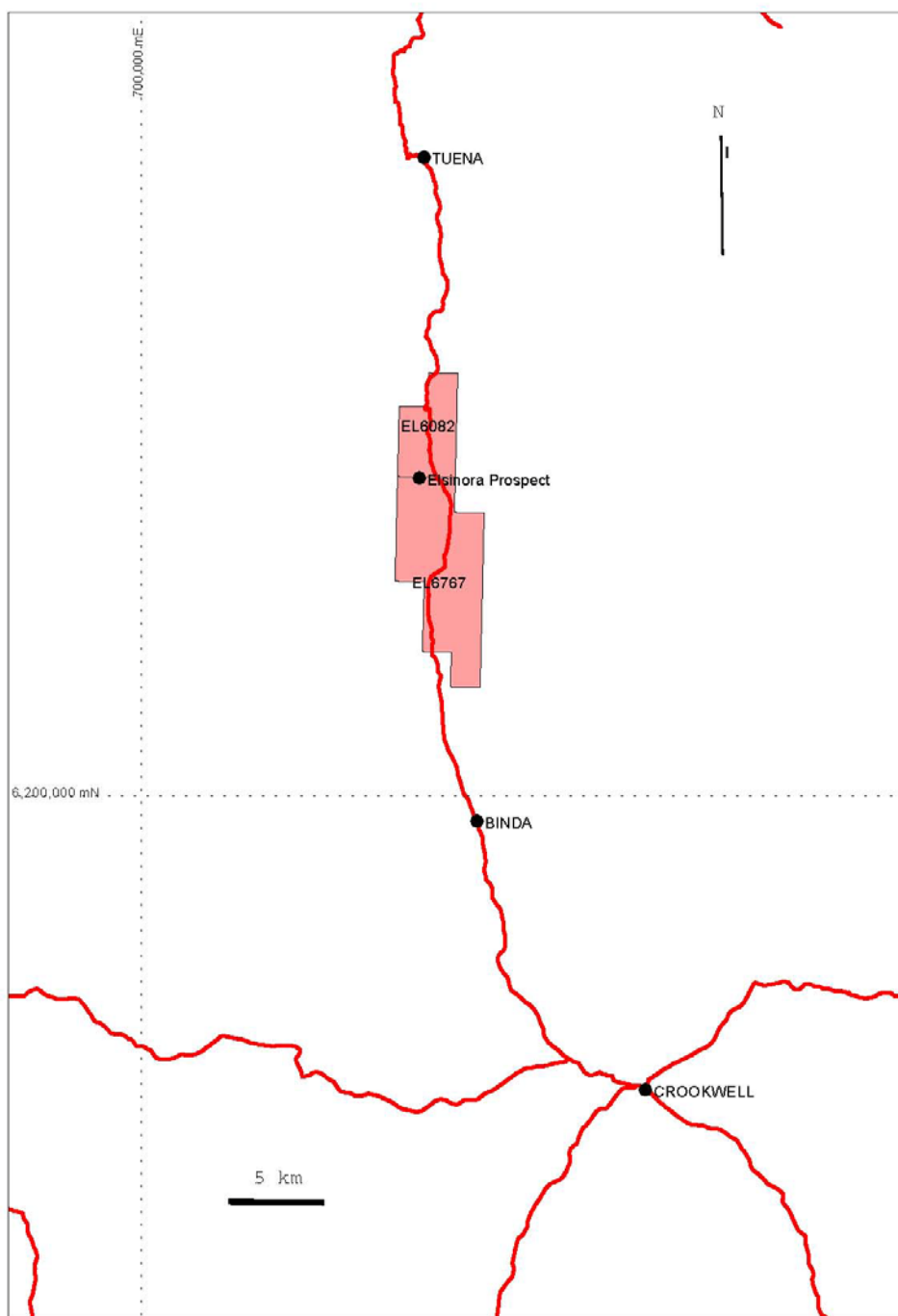




Table 1: - Sultan drill holes at Elsenora - List of significant intercepts

Hole_Id	East_MGA 94	North_MGA 94	Azimuth	Inclination	FROM	TO	nhole Interval			
					m	m	Length (m)	Au (g/t)	Pb%	Zn%
SERC004	714705	6217099	74	-60	84	99	15	0.08	0.27	0.72
SERC004					141	203	62	0.17	0.08	0.19
incl					191	197	6	1.03	0.04	0.1
SERC005	714719	6217016	74	-60	30	33	3	1.74	0.01	0.05
SERC005					96	165	69	0.08	0.08	0.28
SERC005					180	183	3	1.16	0.02	0.04
SERC005					195	198	3	0.5	0	0.01
SERC006	714653	6216880	74	-60	45	132	87	0.12	0.13	0.3
incl					84	90	6	1.15	0.2	0.74
SERC007	714712	6216936	74	-60	0	6	6	1.01	0.18	0.09
SERC007					30	207	177	0.1	0.07	0.19
including					54	57	3	0.65	0.24	0.59
including					120	123	3	1.57	0.01	0.02
including					189	207	18	0.35	0.02	0.12
SERC008	714783	6216992	74	-60	15	93	78	0.13	0.08	0.21
including					33	36	3	0.57	0.1	0.26
including					63	75	12	0.58	0.16	0.49
SERC010	714806	6217124	74	-60	30	99	69	0.08	0.1	0.26
including					39	45	6	0.48	0.03	0.1

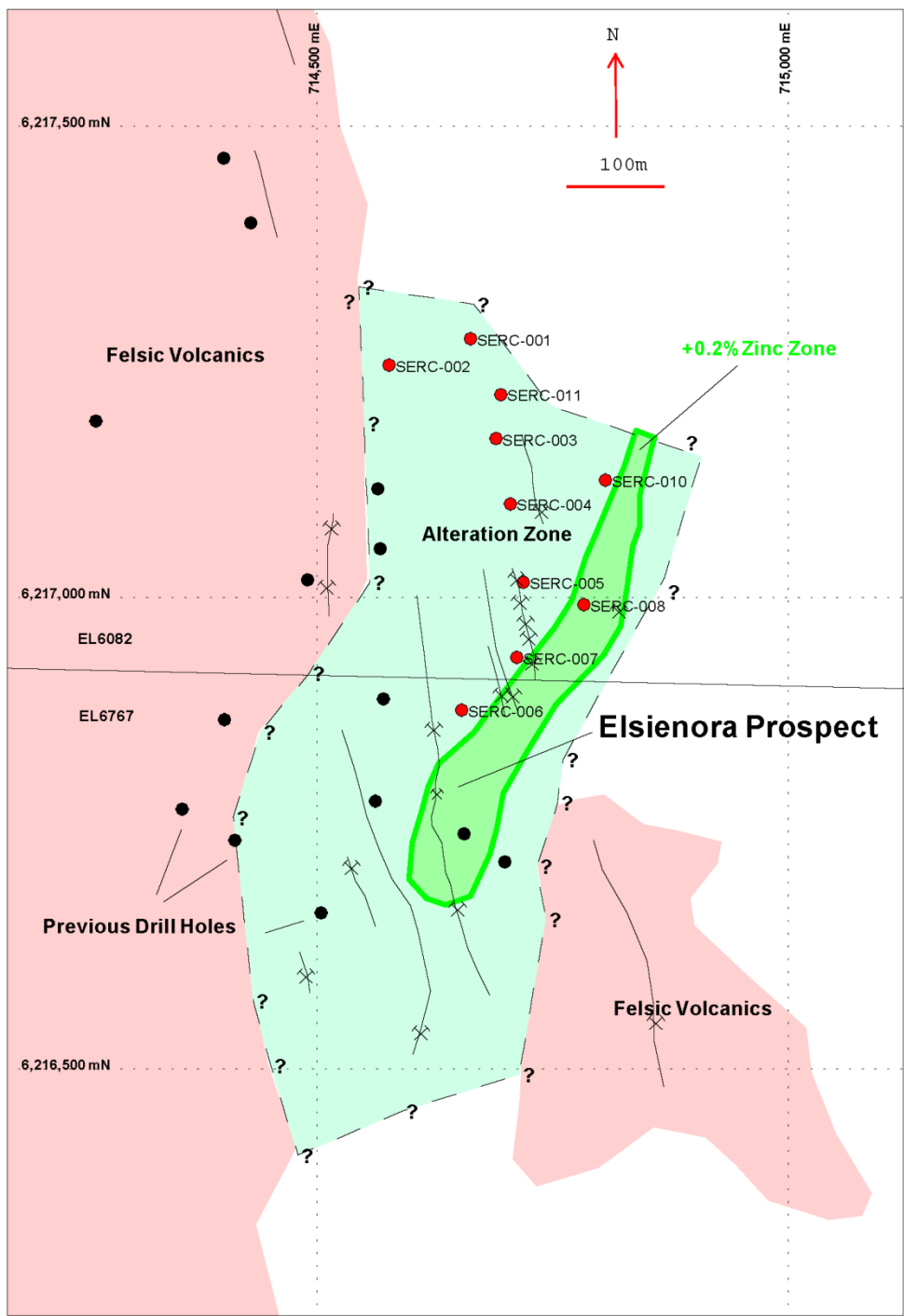


Figure 3: Drill hole location with 0.2% Zn and anomalous Au zone