

16 September 2011

SULTAN ACCELERATES GROWTH WITH ACQUISITION OF HIGHLY STRATEGIC POLISH BASE METALS PROJECT

Secures Bogdan Project Located Adjacent to Europe's Largest Copper Mine

- *42 sq km tenement sits along a massive fault system where over 25Mt of copper metal has been mined to date*
 - *KGHM, which operates the neighbouring mines, is listed on the Warsaw Stock Exchange, with a US\$11 billion market capitalisation*
 - *Historical drilling has confirmed significant base metal mineralisation on Sultan's new tenement*
 - *Sultan planning to undertake deep drilling program to test its copper potential*
 - *Key acquisition further strengthens Sultan's growing portfolio of Eastern European base metal projects*
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International minerals company Sultan Corporation (ASX: SSC) ("Sultan" or the "Company") is pleased to advise that it has added significant weight to its growth and consolidation strategy in Eastern Europe with **the acquisition of a highly prospective base metals exploration project in Poland, located adjacent to one of the world's biggest copper producers.**

The Bogdan exploration project covers an area of 42 sq km located near to the town of Lubin in lower Silesia, south-west Poland, and is located immediately adjacent to a series of mines and associated infrastructure owned and operated by KGHM Polska Miedz S.A. ("KGHM"), the largest producer of copper in Europe and the third largest producer of silver in the world (see *Figure 1 for location relative to KGHM, and Appendix for regional geography*).

KGHM, which is listed on the Warsaw Stock Exchange with a current market capitalisation of US\$11 billion, has produced **over 25 million tonnes of copper metal from this area** over the past 40 years. It produced 507,000 tonnes of copper last year and its 2011 copper production will be nearly three times the output of BHP's Olympic Dam Project in South Australia, with a targeted operating profit for 2011 of US\$3 billion*.

With a series of large underground mines, KGHM controls resources reported at 1,160 billion tonnes grading 2.08% copper and 59g/t silver for a total of 24.11 million tonnes copper and 68,748 tonnes of silver* – sufficient to sustain production at these levels for the next 20 years.

The majority of the copper, silver and other base metals mined to date have come from operations located along the same regional feeder fault that extends through Sultan's newly acquired Bogdan tenement.



The acquisition of the Bogdan Project adds further significant momentum to Sultan's East European consolidation and growth strategy. The Company is already developing its Monty base metals project in Montenegro, a polymetallic lead-zinc-copper-silver project which the Company plans to bring into production from 2013.

Sultan's Managing Director, Mr Mike Ralston, said the acquisition of the Bogdan Project represented a major milestone for the Company, adding further critical mass to its emerging portfolio of quality base metals projects in Eastern Europe.

"We have previously stated that we intend to build on our competitive advantage to locate and secure additional quality base metal projects throughout this region as part of a consolidation strategy designed to build a genuine mid-tier mining house in the medium term," Mr Ralston said.

"Bogdan is a unique opportunity, because of its strategic location next to one of the world's largest copper producers and because there is strong evidence that the same mineralised system extends onto our tenement," he said.

"Sultan has previously examined results of a single historic drill hole in the Bogdan tenement from coal drilling. **This hole intersected very encouraging base metal mineralization including 2.9 metres at 2.70% Pb, 81 ppm Ag and 0.16% Cu** from 298.1m beneath the upper layers of coal mineralisation, suggesting that the base metal mineralisation present on at the neighbouring KGHM tenement extends onto our ground."

"The deposits at KGHM are commonly zoned with the copper-precious metals zone typically more immediately adjacent to the fault feeder, and then zoning into lead-silver and zinc as you move away from the fault and down dip into the basin," he added. "Confirming this potential will be a priority for us with an upcoming deep drilling program."

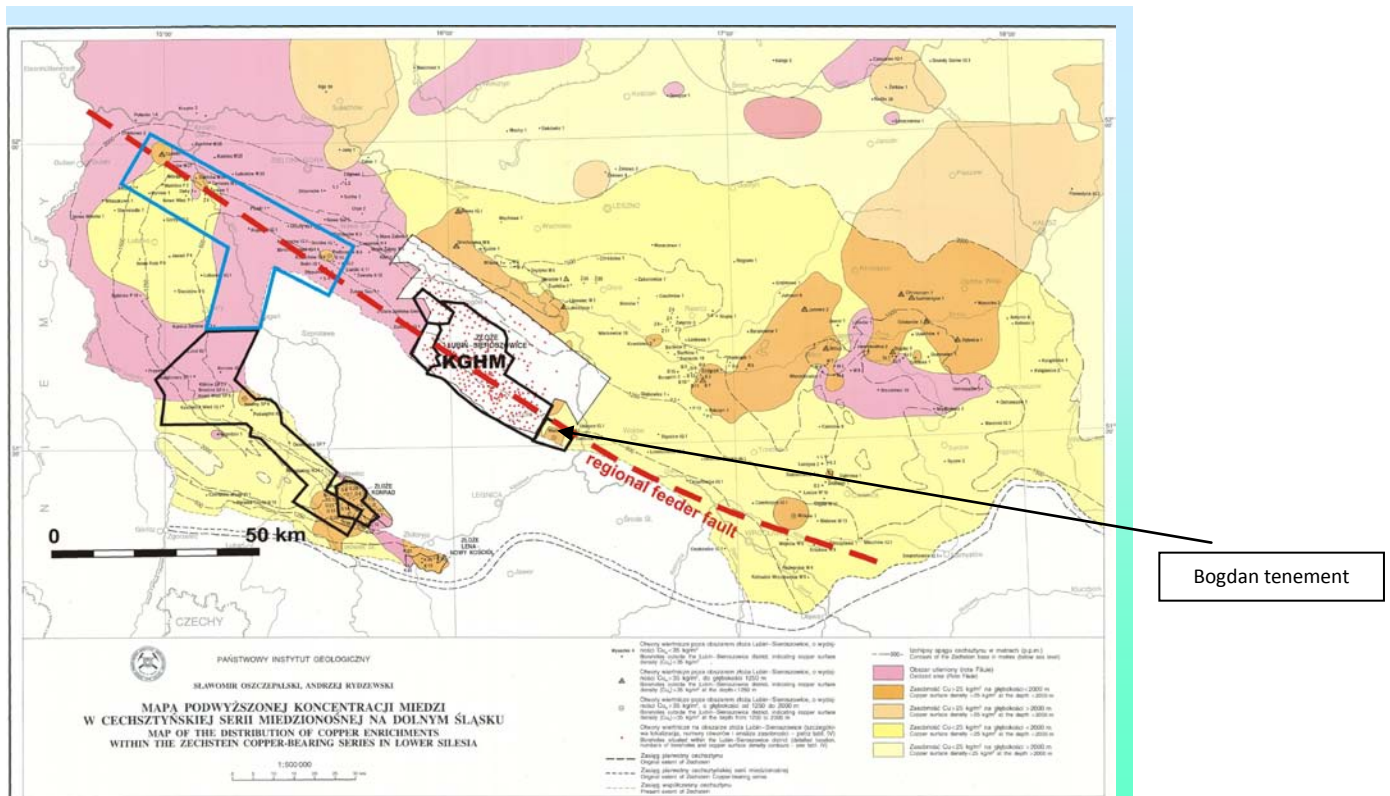
About KGHM

KGHM has produced over 25 million tonnes of copper from this same area over the past 40 years. It produced 507,000 tonnes of copper last year and with significant long term reserves the company is targeting similar production levels forward for the next 20 years*.

KGHM was formed in the 1960's and has since developed into one of the largest public companies on the Warsaw Stock Exchange, with a current market capitalisation in excess of US\$11 billion.



Figure 1: Location of Sultan’s Bogdan tenement immediately adjacent to the KGHM operations sitting along the extended feeder fault.



Over the past 40 years KGHM has developed this region into one of the most concentrated areas of base metal production in the world, with various underground mines all contributing into a fully integrated technological process, with processing plants (producing concentrate), smelters and refineries all located within close proximity to the operations. KGHM’s primary ore deposit is located in the vicinity of the towns of Lubin, Sieroszowice and Głogów and the copper ore is extracted from the deposit at three mines, ZG Lubin, ZG Rudna and ZG Polkowice-Sieroszowice (see Figure 3).

Current mining of the copper deposit occurs at depths of between 600 - 1,000 meters. The copper is associated with other elements including nickel, lead, zinc and precious metals, and in particular gold, silver and platinum.

This is a vast, integrated mining and industrial operation that covers an area of 550 sq km, employing over 30,000 personnel. This overall deposit ranks Poland fourth place globally in terms of copper resources, and first place in the case of silver resources. The Polish Government is the major shareholder of KGHM with a circa 30% position in the company.



Figure 2: KGHM operations in Lower Silesia, Poland



In its Annual Report of 2010 (Marketing version), KGHM stated that its ore resources (non JORC) in areas licensed by the company were:

- 1,160 billion tonnes at 2.08% copper (Cu), and
- 59g/t silver (Ag)

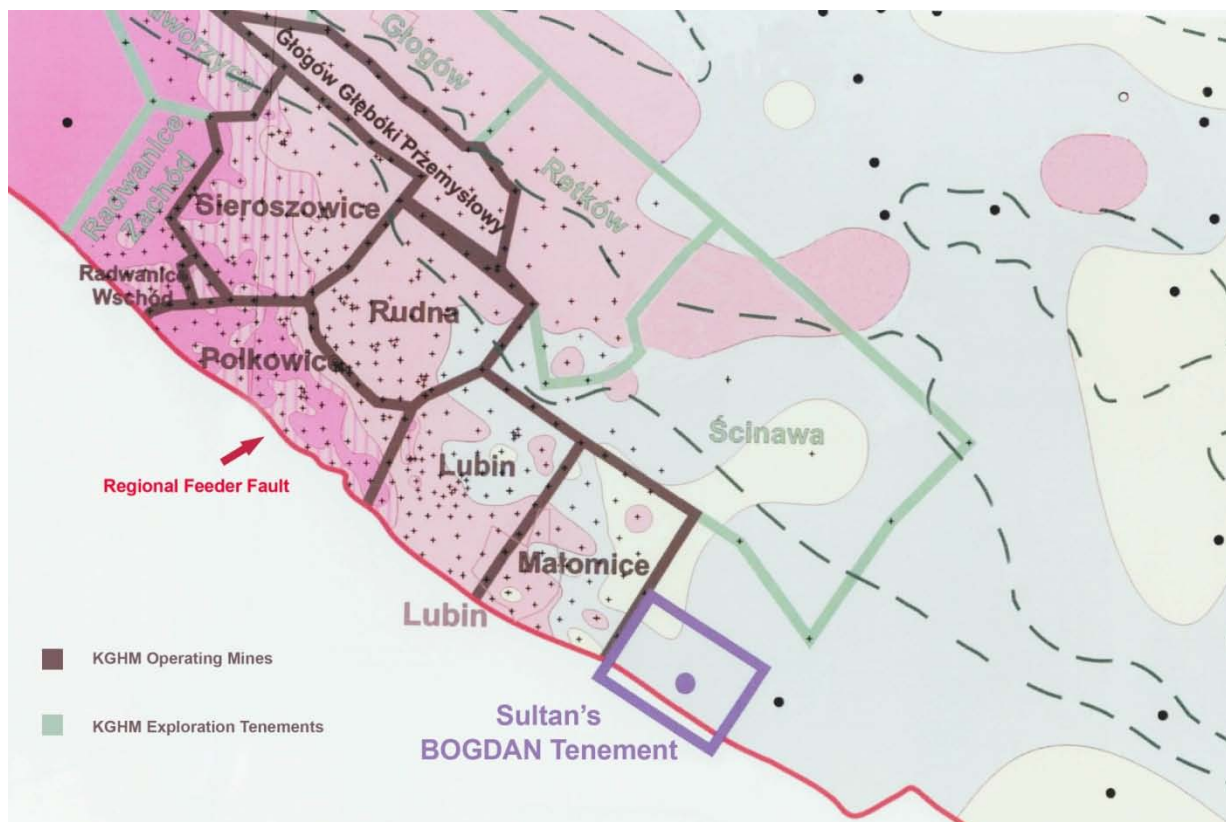
For a total of:

- 24.11 million tonnes copper (Cu), and
- 68,748 tonnes of silver (Ag).*

* Source: KGHM Annual Report 2010, Marketing version - as displayed on KGHM website



Figure 3: Location of Sultan's Bogdan tenement in close proximity to the existing KGHM mining operations, and along the same feeder fault system.



About Sultan's Bogdan Tenement

Sultan's Bogdan tenement is highly prospective in that it lies along the same regional fault system that controls the distribution of mineralization in the area. All of the major KGHM operating mines are located on and adjacent to this major regional feature.

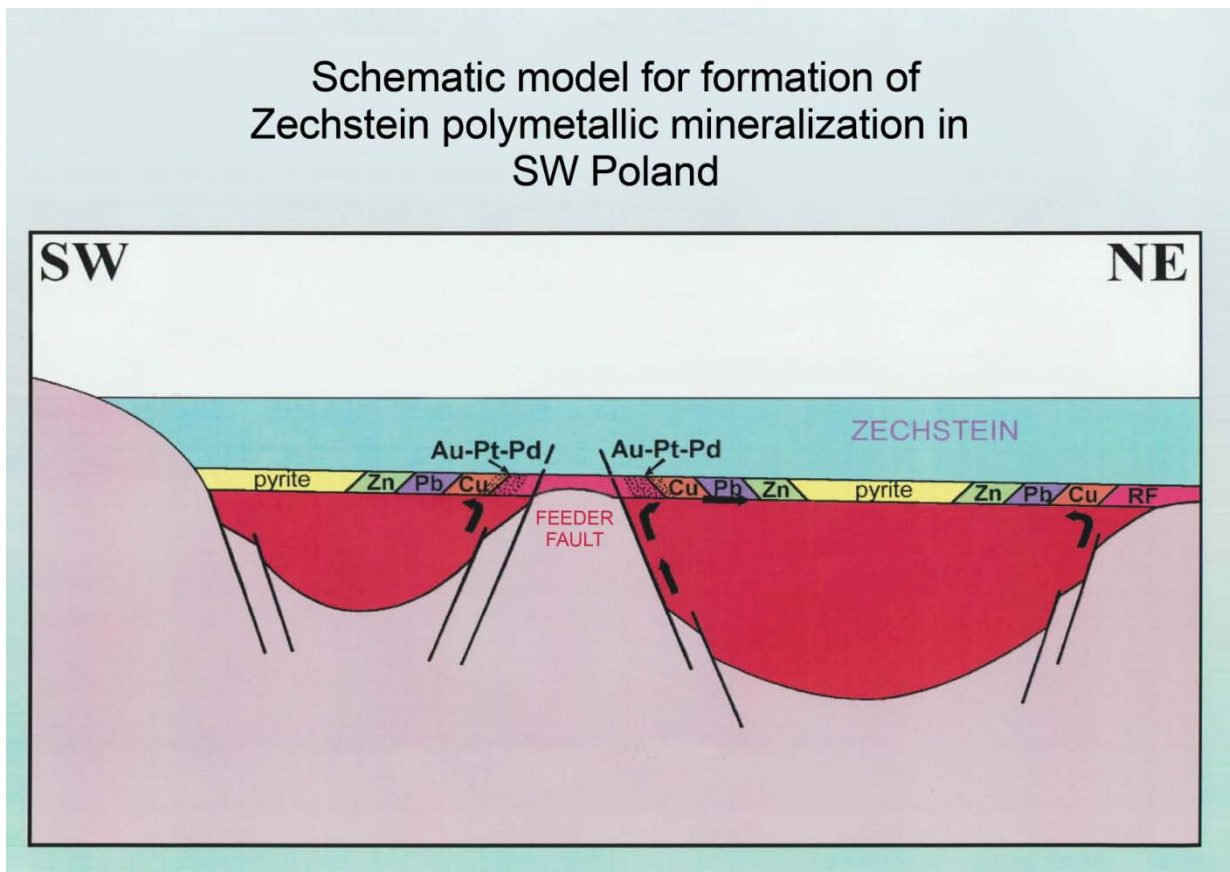
Base metal mineralization in the area is stratabound and tabular and hosted by the Zechstein Formation of Permian age which consists of a range of rock types including the Zechstein sandstone, Zechstein limestone and the Kupferschiefer shale.

The Kupferschiefer is a thin but regionally very continuous shale marker that is often associated with the best mineralization, although economic mineralization also extends into the adjacent Zechstein sandstones and limestones.

The Bogdan tenement was historically held by a third party that targeted brown coal deposits in the Tertiary sediments that overlie the base metal bearing Zechstein series.



Figure 4: Mineralisation existing off the feeder fault in the Bogdan region, showing typically precious metals and copper closer to the fault and lead and zinc as it moves away.



Sultan has examined results of a single historic drill hole in the Bogdan tenement.

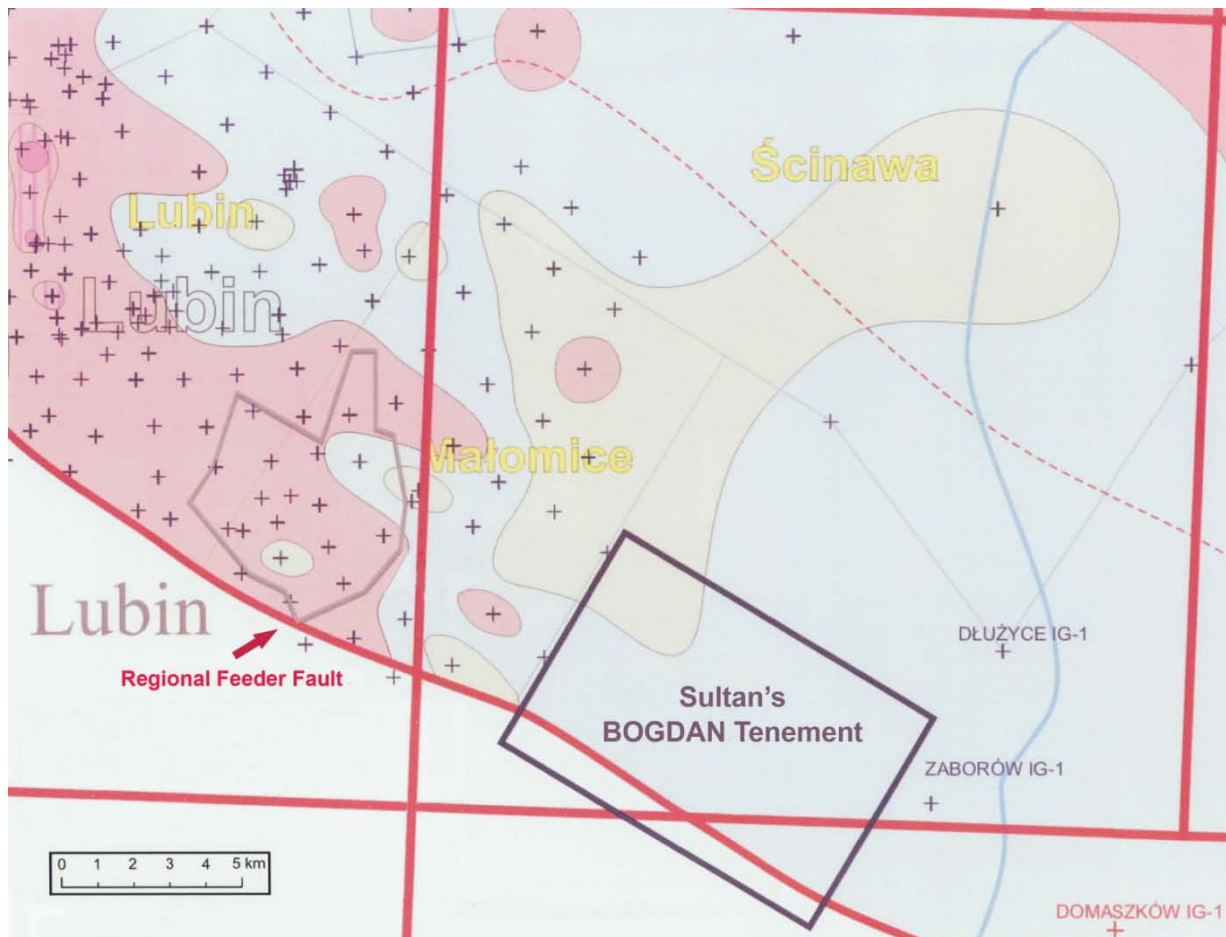
This hole intersected 283.4 metres of overlying Tertiary clays and brown coal before intersecting limestone of Zechstein series at 289 metres. It then proceeded onto the Kupferschiefer shale at 300.2 metres before terminating at 302.8 metres. The hole terminated in limestones of the Zechstein formation that are commonly mineralized **and the mineralization was not closed off at depth.**

The hole intersected very encouraging base metal mineralization including 2.9 metres at 2.70% Pb, 81 ppm Ag and 0.16% Cu from 298.1m. **This one hole confirmed that the base metal mineralization extends directly along strike into the Bogdan tenement.**

The deposits at KGHM are commonly zoned with the copper zone typically more immediately adjacent to fault feeder and then zoning into lead-silver and zinc as you move away from the fault and down dip into the basin.



Figure 5: Location of Bogdan tenement in relation to extensive drilling of KGHM properties nearby.



The very encouraging results in this initial drill hole indicate that the mineralized Zechstein formation extends directly into the Bogdan tenement. The KGHM mineral inventory is extremely large and these deposits are by their nature laterally very continuous.

This gives Sultan confidence that it will be able to step out from the original drill hole and extend the mineralization.

Acquisition Terms

Sultan has acquired 85% of the local Polish company (Polmetal) that owns the Bogdan tenement on the following terms:

1. An upfront payment of \$100,000 as a 12 month Option Fee, payable upon signing the legal agreement and delivery of a valid permit to drill at Bogdan.



2. A committed exploration programme for a minimum 2,500 meters for \$300,000 within the first 12 month period.
3. A cash payment of \$400,000 – at Sultan’s discretion, payable within 12 months.
4. A one-off payment of \$800,000 at any stage over the three years after payment for the initial \$100,000 fee, purely at Sultan’s discretion.

Sultan intends to drill up to **2,500 metres** in its initial exploration programme over the next 3 months, which will cover the full commitment within the acquisition terms above.

Sultan also intends to consider other prospective tenements within the region near to Bogdan to add to this initial landholding, on the basis of the significant exploration potential that exists within the Bogdan Project.

Sultan Managing Director Mike Ralston added: “We are delighted to bring in this very exciting and highly prospective project into Sultan’s rapidly emerging East European base metals portfolio. We understand this entire area around Bogdan to be resource-rich with a long history of significant production, and we consider this new asset to be of particular importance to our growth path over the coming months and years.

“With a low entry cost and extensive infrastructure already developed in close proximity, Bogdan already has numerous advantages in place, and any success in our exploration programme could ultimately lead to the development of a significant mining operation in a relatively short period of time.”

-ENDS-

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1. Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed 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.



Appendix:

Location of Bogdan tenement in south western Poland, near to the town of Lubin.

