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SULTAN CLOSES OUT LA JOLLA DEBT INSTRUMENT

Company now debt-free ahead of major growth phase in Central Europe and Australia

International minerals company Sultan Corporation (ASX: SSC) ("Sultan" or the "Company") is pleased to advise that it has agreed terms with US financial services organisation La Jolla Cove Investors ("LJCI") to close out an existing US\$4 million legacy debt instrument, which will result in the Company being debt-free and well placed to pursue its growth strategy in Central Europe.

This debt instrument, which was put in place at an earlier stage of the Company's evolution, included a provision for debt-to-equity conversion at an adverse ratio, potentially resulting in excessive dilution. Accordingly, shareholders voted against delivering shares to LJCI under this instrument at the Company's AGM held in November 2010.

Sultan has been working with LJCI towards closing this facility by mutual agreement for several months, rather than becoming embroiled in a costly legal dispute.

Sultan has agreed to pay LJCI a total of US\$750,000 in full and final payment of all outstanding debt, including current principal and interest owing plus typical entry and exit fees on the US\$4 million facility. This payment will be made in two stages with US\$225,000 payable within seven days of signing this settlement agreement and the remainder payable within sixty days.

Sultan will not pay LJCI for this settlement in shares as the Company has concerns relating to large quantities of Sultan stock potentially being placed onto the market at a time when the Company is moving ahead positively and rapidly on several fronts.

The Company's Managing Director, Mike Ralston, said: "This settlement is a positive step for Sultan and represents the resolution of a legacy issue with the potential to become difficult for the Company."

"As we progress forward with many exciting opportunities, the Board did not believe it was in the best interests of the Company to spend further time, effort or money becoming involved in a legal dispute when our focus and attention are required elsewhere to continue to deliver value into the business."



“Accordingly, we have made the decision to settle this matter and move on. The Company will now be completely debt-free, which we believe to be a considerable advantage given the stage of growth that we are about to embark upon,” Mr Ralston added.

Sultan is currently developing two base metals projects in Europe and one in Australia, with activity taking place at all three.

Metallurgical sample drilling is underway at the Monty base metals project (zinc, lead, copper, silver) in Montenegro in order to continue feasibility work on concentrate recovery and ultimately plant design, and an initial exploration drilling programme is being developed at the Bogdan project (copper, zinc, lead, silver) in Poland.

Final environmental impact work and an associated scoping study is continuing at the Peelwood project (zinc, lead, copper) in NSW, Australia, and a second drilling programme targeting gold will commence shortly at Elsenora, which is one of the Peelwood tenements.

-ENDS-

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