

31st October 2011

SULTAN COMMENCES SECOND GOLD DRILLING PROGRAMME AT ELSIENORA, NSW

DEEP DRILLING TO TEST POTENTIAL FOR LARGE-SCALE GOLD SYSTEM

- *Follow-up drilling underway to test for presence of McPhillamy's-style mineralisation*
- *1,850m diamond drilling program to test for gold and base metal mineralization at depth*
- *Three 500m deep holes plus a further 350m deep hole planned to provide definitive test of broad anomalous zone*

International minerals company Sultan Corporation Limited (ASX: SSC) ("Sultan" or the "Company") is pleased to advise that it has commenced a program of follow-up drilling at its 100 per cent owned **Elsienora prospect**, located approximately 80 km south of Bathurst in NSW (see Figure 1).

This follow-up drilling programme will comprise four diamond drill holes for a total of 1,850 meters and will take 2-3 months to complete. The drilling is being conducted by Techdrill Services Pty Ltd of Orange, NSW.

Previous work conducted by Sultan at Elsiénora has included geological mapping, stream sediment sampling and analysis of the regional geophysics – **all of which provides strong indications that the prospect has the potential to host a large-scale McPhillamy's style gold and base-metal mineralised system.**

The geological setting includes strong structural control, strong potassic alteration and anomalous Gold (Au) and Zinc (Zn) geochemistry. The McPhillamy's deposit is located approximately **50km to the north** of Sultan's tenements and is a Joint Venture between Newmont and Alkane Resources, operated by Newmont. It has a stated resource of 3 million ounces of gold and 60,000 tonnes of copper.

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Sultan completed an initial drilling program in July 2011 comprising 10 Reverse Circulation (RC) drill holes for a total of 1,850 meters. This drilling outlined a large zone of highly altered rocks with extensive disseminated pyrite and anomalous zinc, lead and gold results particularly in holes SERC004, -005, -006, -007, -008 and -010.

The zone is best defined by zinc, which is consistently anomalous and averages around 0.2% over very wide intervals. **The zone is 500 meters long, up to 100 meters wide (see Figure 2) and remains open both 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 (similar to Elsenora) and higher grade gold with minimal zinc occurring at depth. The deeper mineralisation occurs from 100-200 meters vertical below the near-surface mineralisation. It is precisely these sorts of higher grade gold targets that Sultan is seeking in this second phase drilling programme at Elsenora.

Sultan believes that the July 2011 drilling may have outlined the equivalent of the near-surface style anomalous zinc and gold mineralisation and that the higher grade McPhillamy's style of mineralisation may still be present at depth.

The upcoming drilling program will comprise three deeper drill holes averaging 500 meters each in depth and designed to test 150-200 meters vertically below the anomalous zinc-gold zone defined by the July 2011 drilling. A fourth hole of 350 meters has also been planned to test the extension of the anomalous zone, which is open to the north.

The drill hole locations in relation to the July 2011 drilling area are shown in Figure 3.

ENDS

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Competent Person Statement:

The information in this report that relates to Exploration Results and Mineral Resources 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.

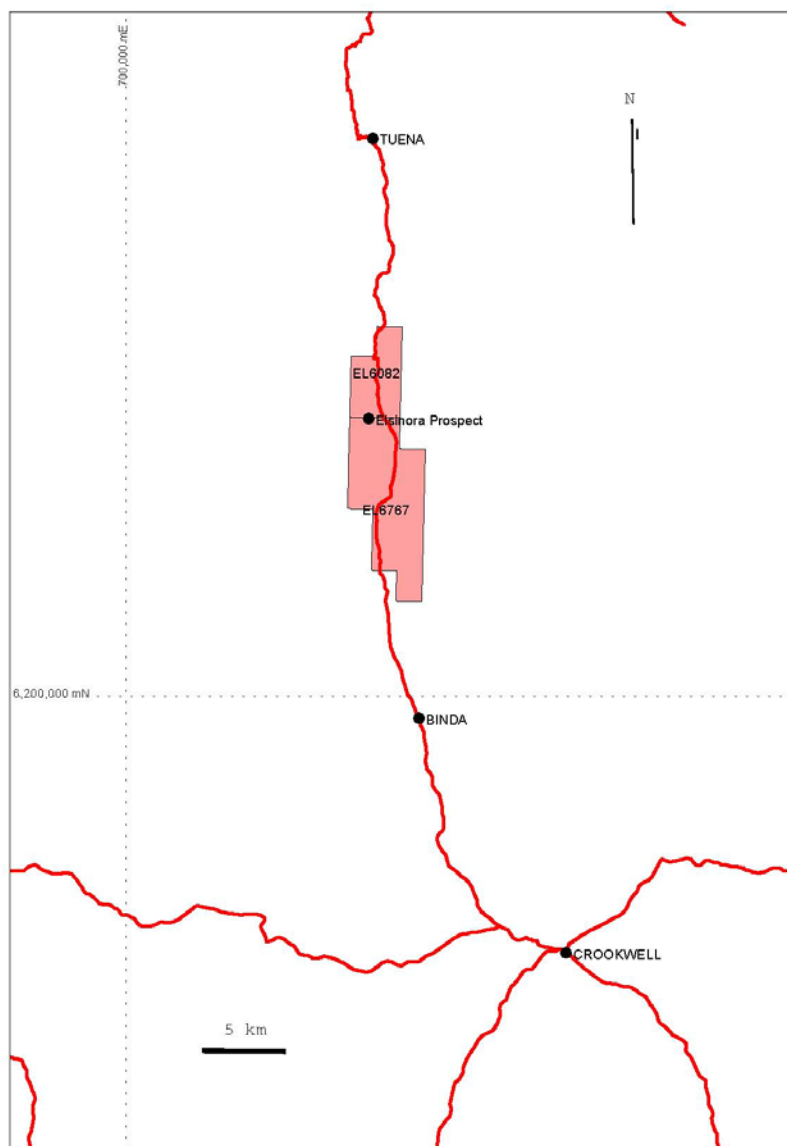


Figure 1 – Elsiehora Prospect: Location Map

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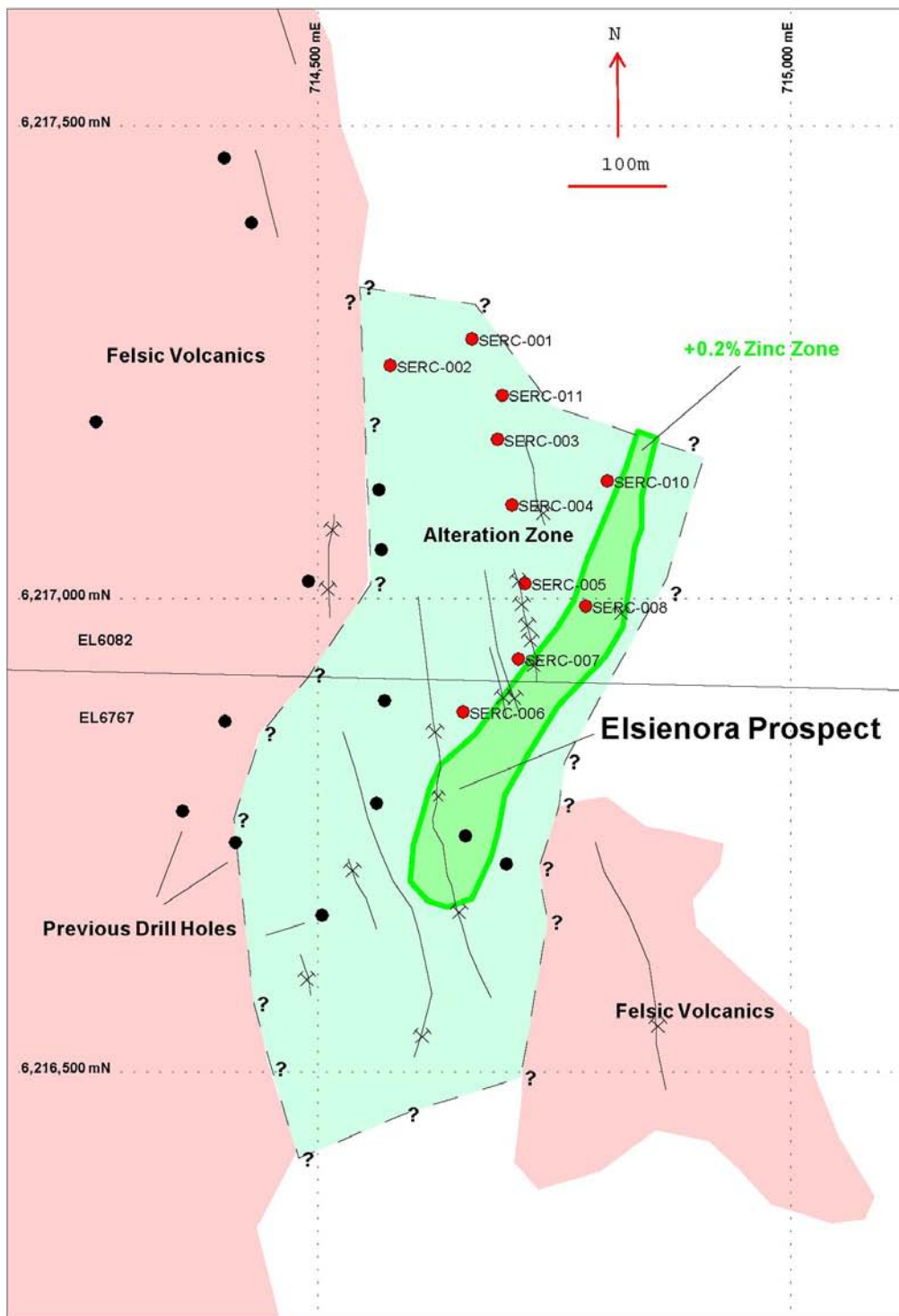


Figure 2 – Drill-hole locations with +0.2% zinc and anomalous gold zone



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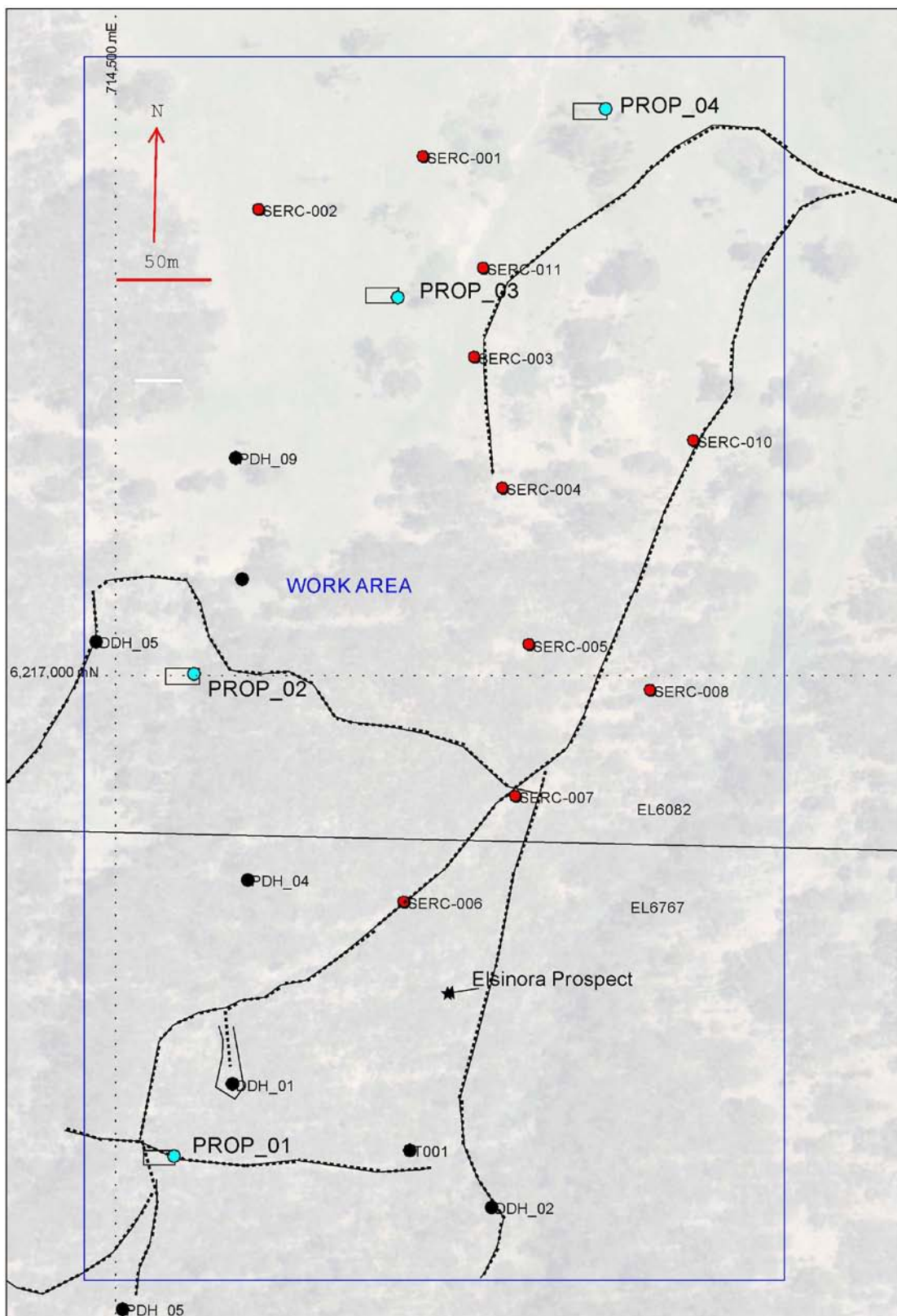


Figure 3 – Follow-up drill holes in current programme