

12 December 2011

MARKET AND PROJECTS UPDATE

*Sultan continues to progress consolidation of quality resources in Central Europe
Drilling to commence at Bogdan base metals project in Poland in January 2011
Proposal to change company name to Balamara Resources Limited*

International minerals company Sultan Corporation (ASX: SSC) ("Sultan" or the "Company") is pleased to provide an update on progress at its four resource projects in Central Europe and Australia.

The Company also today announced plans to change its name to **Balamara Resources Limited** as it progresses its strategy to consolidate quality resource projects in Central Europe and prepares for a series of significant project milestones over the coming 3-6 months.

Company Strategy

The Company has already made significant progress over the past six months following the adoption of a new strategy targeting the consolidation of quality resource projects in the Central European region. This region was selected as an area of focus in early 2011 due to the extensive networks and experience of two of the Company's Directors operating in this area.

In addition, Sultan notes many other competitive advantages to this region, in particular within the corridor extending from Poland in the north to the Balkans countries in the south. These include:

- the presence of many former mining projects, either previously mined or explored, which gives the Company the ability to target and secure both greenfield exploration targets as well as more advanced projects with extensive prior drilling and, in some cases, existing mining operations;
 - the ability to access recent in-country mining and geological expertise relevant to these projects, many of which were closed in the past 20 years following the end of communism;
 - low entry costs, as well as low capital, labour, power and overall mining costs;
 - skilled and available local workforces;
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- supportive Governments, with a strong focus on attracting investment into their countries and local communities; and
- access to significant infrastructure including roads, rail and power, as well as proximity to the large European market.

This wide range of critical advantages in combination is rarely found in other target locations for resource assets around the world. Sultan believes these represent a meaningful combination of key attributes on which to build a consolidation of resource projects, with the strategy already well underway following the addition of two high-quality projects in the past year and others in the funnel ahead.

Monty (polymetallic zinc/lead/copper/silver) – Montenegro

Sultan acquired the Monty Project for just 100,000 euros in late 2010 and advanced this project quickly and cost effectively to a 9.2M tonne JORC inferred resource*, which was independently calculated by Golder Associates.

Since the acquisition, the Government of Montenegro has been supportive of Sultan and its efforts to bring Monty back into production as quickly as possible, with the low entry price reflecting their primary focus on returning the project to production as quickly as possible rather than securing a high asset sale price.

Sultan appreciates this valuable support and continues to develop Monty in close consultation with the local authorities to ensure achievement of all parties' objectives.

This JORC resource gave Sultan enough confidence to commence a Feasibility Study with drilling commencing in October (completed in early December) to extract metallurgical samples which will be tested in laboratories in early 2012 to ultimately determine the optimum concentrate recovery of all of the zinc, lead, copper and silver.

From the results of this testwork, plant design and engineering will be undertaken in parallel with other commercial analysis and environmental studies; it is anticipated that the Feasibility Study will be completed by the final Quarter of 2012. From there, plant construction and ultimately production is targeted for 2H 2013.

Early scoping studies on the commercial viability of Monty using data on concentrate recoveries when it was first mined, together with existing metal prices and knowledge of local capital and operating costs, suggests that this project can be a very valuable operating mine from 2013 onwards. If Sultan is able to achieve the recommencement of mining at Monty within approximately two years from acquiring this asset it will be significant and this will send a strong message to other local Governments seeking mining partners who can deliver on the ground.

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Sultan has always understood that there is considerable upside at Monty based on previous drilling conducted at the various deposits within the project. As a result, Sultan intends to continue to explore at Monty in 1H 2012 with the objective of increasing the JORC resource (targeting both tonnes and grade) and ultimately build an even stronger commercial mining model within the overall feasibility study.

In addition, Sultan is considering all options with regard to the financing of this project. Monty has already attracted interest from several parties as an advanced base metals project. Sultan will continue to explore this interest to ultimately create the best opportunity for a successful venture which is in the best interests of its shareholders.

Bogdan (base and precious metals) – Poland

Sultan added the Bogdan exploration project into its portfolio in September 2010 by agreeing to pay a total of \$1.5 million for an 85% interest in the company which holds the rights to the tenement – of which \$1.2 million will be spent exploring in ground.

This highly prospective 42 sq km tenement is located immediately adjacent to the series of mines owned and operated by KGHM Polska Miedz (“KGHM”), which is one of Europe’s largest copper and silver producers, operating from an area next to Bogdan and along the same feeder-fault system.

Sultan is targeting an initial exploration programme of 2,500 metres of diamond drilling commencing in January 2012 comprising at least six holes to test for mineralisation that would indicate the extension of the KGHM strike into the Bogdan tenement.

This programme will take several months to complete as the holes are all around 300-500 metres deep, however there are no particular issues relating to drilling in Poland in winter and the local drilling company as contracted has extensive experience in this regard. Permits for this initial drill program are currently being submitted and Sultan expects the approval process to take approximately one month, whereupon the rigs will be mobilised to site.

The Bogdan tenement is close to existing infrastructure such as roads, power and water – all of which will greatly assist in the execution of this exploration program.

A successful exploration programme in 2012 at Bogdan that confirms the presence of extensions of the mineralised complex that has underpinned KGHM’s growth to become one of the largest and most profitable listed companies in Poland will obviously be of enormous significance to Sultan.

The Company is focussing on Bogdan as a priority for 2012 as it believes this project has the potential to become the company-making asset forward.



Other Projects

Sultan has been working hard over the past 3-6 months to add further assets into this Central European portfolio of quality projects. The Company's objective is to establish a strong portfolio with a diversified mix of projects ranging from exploration through to production assets.

Ultimately, Sultan is using its networks and experience to select the best possible additions to the current two projects going forward. The Company is doing this within the constraints of its balance sheet while at the same time managing further dilution of its register. The Board is confident that as this business development funnel bears fruit in 2012, the market will better understand the considerable first mover advantages that Sultan has enjoyed in this region.





Australian Projects

Sultan has continued to add value to its existing projects in New South Wales – Peelwood North and Elsenora – with the former moving to completion of the Environmental Impact Study (EIS) and thereafter towards a decision to mine in 1H 2012, and the latter developing into an interesting early stage gold and base metals exploration project.

The second Elsenora exploration diamond drilling programme is well advanced with the first two holes of a planned 4-hole drilling program now completed; Sultan expects results to be made available to the market in 1Q 2012 as soon as all drilling and assaying is completed.

As Sultan continues to develop its core strategy of consolidating several resource projects in Central Europe these Australian assets will eventually become less strategic and the Company will be considering various options to continue adding value to these projects ahead without committing significant resources towards them.

This strategy will become more evident in 2012.

Corporate

The continued expansion of the Company's resource interests in the Balkans region in particular – which has strong cultural and political issues with the connotations surrounding the meaning of the word "Sultan" – has led the Board to accept that a change of name will be in the best interests of the Company moving forward.

As a result, the Board is recommending changing the Company's name to "**Balamara Resources Limited**", and a Notice of Meeting will be sent to shareholders shortly for an EGM in January 2012 to consider this change.

"Balamara" is the Aboriginal word for the "Morning Star", which fits well as the Company wishes to incorporate a distinctly Australian flavour to the enterprise, as well as utilising a brand and image that reflects its bright outlook moving forward.

The Board will recommend this change and already has all ASIC and ASX approvals in place to move ahead.

-ENDS-

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*JORC inferred resource at Monty Project:

	Tonnes	Zn %	Pb %	Cu %	Cut-Off's
Brskovo	2,539,086	3.82	3.03	0.53	2% Zn or 2% Pb
Zuta Prla	4,744,869	4.06	0.11	0.30	3% Zn
Visnjica	1,896,020	2.98	1.51	0.26	2% Zn
Total Weighted Average	9,179,975	3.77	1.21	0.36	

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.