

16 January 2012

UPDATE ON TOGO PHOSPHATE PROJECT

Sultan to submit second tender for West African phosphate project in late January

International minerals company Sultan Corporation (ASX: SSC) (“Sultan” or the “Company”) is pleased to advise that it will be participating in a second tender process for the Togo carbonated Phosphate Project (“Togo Project”) in West Africa.

The Board has agreed to submit a new tender document in late January 2012 following receipt of a formal invitation to tender from the Government of Togo.

Sultan originally submitted a tender for the Project in August 2011; however, there were issues with the tender process and the Government of Togo decided, after several months of internal review, to scrap the first tender and proceed with a second one. The Company understands that the World Bank, which is a major donor and aid partner to the Government of Togo, will play an advisory role in this second tender process.

While the Togo Project essentially remains the same as previously outlined, there is one major difference in this second term of reference. Parties had originally been asked to submit tenders for the entire operation, which included not only mining and initial beneficiation to rock phosphate, but also further downstream processing into a range of fertilizer products, including the construction of the associated plant and infrastructure required for this processing.

The second tender process has requested that parties can indicate their preference for one or the other of the two processes, that is mining or downstream fertilizer production. Accordingly, Sultan will tender only for the mining operation, which is where the Company’s core strengths and experience lie.

Sultan believes this to be a major advancement in the new term of reference, with companies now able to focus on their respective fields of expertise instead of crossing into areas where they have less knowledge.

Sultan is not aware of any official timetable for the process of evaluating the tenders once they are submitted. However, the terms of reference do specify there will be a three-step process, namely: (1) pre-qualification of the enterprises based on the review of their submissions; (2) consultation with the companies pre-selected; and (3) final designation of the selected party or parties. On this basis, Sultan is expecting this review process could take several months before any conclusion.

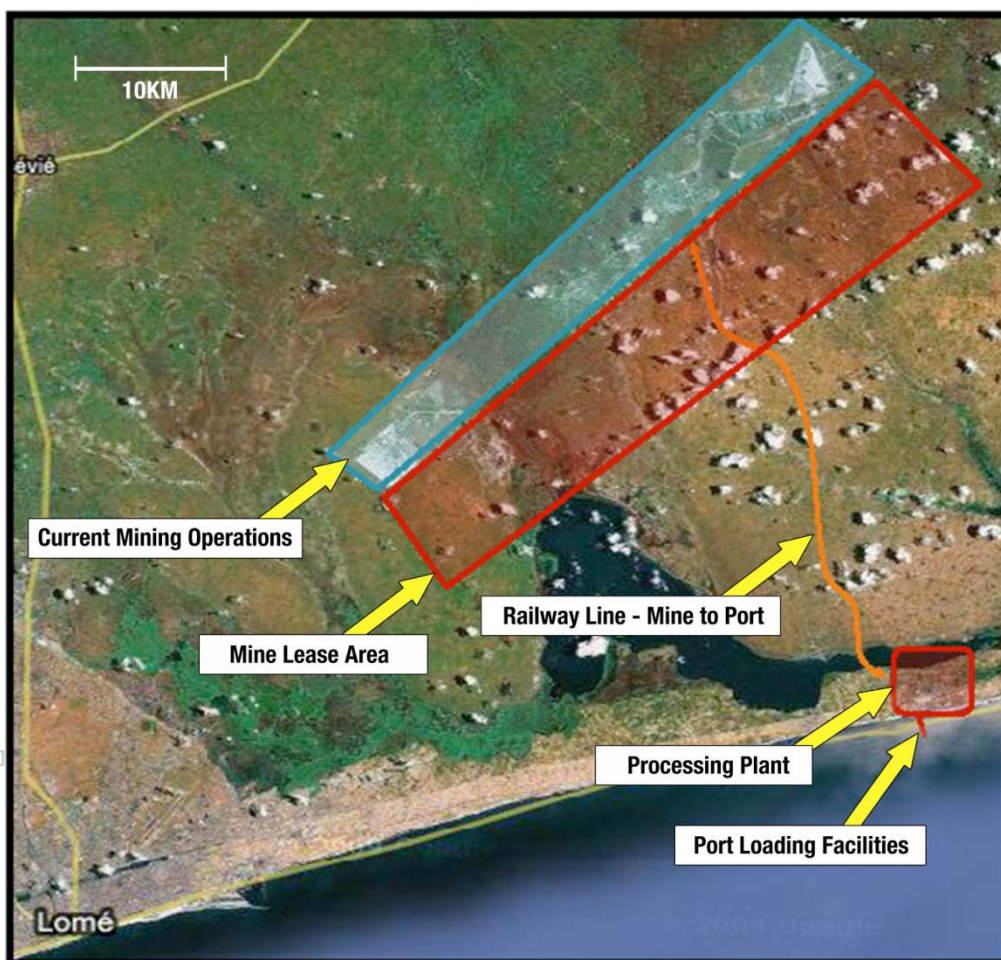
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The Togo Project has an exploration target size of 2.0 to 2.1 billion tonnes of mineralization at a grade ranging from 14.5 to 15.5% P_2O_5 *. There are discrete zones in the order of 80-100 million tonnes having average grades in the range of 18-20% P_2O_5 .

(*The potential quantity and grade is conceptual in nature; there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. It is stated above as a range of tonnes and grades of mineralized material. It should be read in conjunction with the Accompanying Notes at the bottom of this announcement).

Sultan envisages a beneficiation process by which the material grading 18-20% P_2O_5 is beneficiated to a higher grade +30% product which can be sold as direct shipping ore (DSO). Due to the size of the ore body and its close proximity to the port and capital city of Lomé, Sultan does not expect the mining operation to be overly complex.



The Government of Togo has requested tender bids that document a ramp-up to around 10 million tonnes of rock phosphate per annum. Due to the shallow nature of the ore body, Sultan would expect this project to be a low-cost operation with the potential to generate significant margins at the current market price for +30% P_2O_5 .



Sultan has been a partner in this process with the Government of Togo for some time and the Company believes it can play a critical role in managing the successful commercial exploitation of the carbonated phosphate resources if it is awarded this opportunity.

As one of the original tender parties, Sultan has the advantage of having already developed a detailed knowledge of this project. In addition, Sultan has the continued support of several Tier One international partners in the tender process, including the support of one of the world's premier investment banks.

This would enable the Company to assemble a very strong development consortium, with an extensive and diverse range of experience and expertise in the development of large-scale resource opportunities such as this.

-ENDS-

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***Accompanying Notes:**

The above figures are based on a detailed review of the Togo Phosphate deposits undertaken by Sultan personnel during a visit to Togo in March/April 2009. The official figures are held by Office Togolais Des Phosphates. The review comprised:

- a. Literature reviews of available reports and documents;*
- b. Meetings in the capital Lome with senior personnel from Société Nouvelle des Phosphates du Togo (SNPT) which is the Togo state Phosphate Company;*
- c. A review of operations at site and extensive discussions with senior SNPT operations personnel, and*
- d. Visits to the mining and processing operations.*

The official sections and levels plans of the unexploited areas were provided to Sultan. Classical sectional methods have been used to estimate the amount of mineralized materials. It was possible to check the grades and thicknesses of selected mineralized zones and to calculate surface areas, volumes and possible tonnes and to compare these with the official Togolese calculations for the same zones.

Competent Persons 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.