

9 June 2011

## **SULTAN CONFIRMS THAT IT HAS BEEN SELECTED TO TENDER ON THE DEVELOPMENT OF A PHOSPHATE DEPOSIT IN TOGO**

Sultan Corporation wishes to confirm that it has been invited by the Government of Togo to participate in their selection process to identify a strategic partner to develop the phosphate project. This announcement is in response to a recent media article, until now, Sultan has been able to maintain confidentiality throughout this process. The company is submitting its tender proposal on 30 June 2011.

The project is located in Togo (West Africa) near the capital Lome. It is situated very close to infrastructure including a purpose built port facility which is approximately 20 km to the south-west. The port is capable of handling 4.5 MTA of rock phosphate. The port has been regularly maintained and is in good operating condition.

The 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<sub>2</sub>O<sub>5</sub>\*. There are discrete zones in the order of 80-100 million tonnes having average grades in the range of 18-20% P<sub>2</sub>O<sub>5</sub>.

*(\* 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 1 and 2 at the bottom of this announcement).*

During the past three years Sultan has addressed the following issues:

### **Geology**

Sultan has independently confirmed the deposits size, location, grades, strip ratios and other factors which would impact on the viability of the mine.

### **Commercial Analysis**

Sultan has performed a full commercial analysis of the project which included sensitivity analysis and the analysis of various development options.

### **Business Plan**

Sultan has developed a business plan which essentially consists of two development stages.

- 1 To develop the mine plus the beneficiation plant capable of producing 5 MTA of rock phosphate; and



- 2 To add value by constructing and operating a phosphoric acid plant which will utilise part of the produced rock phosphate as feed.

#### **Ministerial Visit**

During February 2011 Sultan was visited by a delegation including the Togolese Minister of Mines and the Economic Advisor to the President of Togo. The purpose of this visit to Sultan's Perth Offices was to assess Sultan's managerial, technical and financial ability to implement its plan. The visit achieved all of its stated objectives. The visitors met with Western Australian Ministers responsible for Finance, Mining, Energy, and the Environment. Meetings were also held with Australian mining industry leaders and Sultan's financial backers. Visits to some of the projects in which Sultan personnel were previously involved were also arranged.

Sultan still holds the view that this information concerns an incomplete proposal or negotiation and had it remained confidential there would have been no requirement for Sultan to make any statement at this time. Sultan is not the only corporation which is seeking to partner the Togolese Government in developing this project.

Over the past five years Sultan Corporation has held the belief that phosphate as a commodity will continue to grow in importance as the worldwide demand for food production increases. Sultan MD Derek Lenartowicz said "The Togo project, if Sultan is successful in joining the Government of Togo as a strategic partner, would be another step towards achieving Sultan's goal of playing a significant role in the exploitation of this important resource".

Sultan recently raised over \$5million in a capital raising which gives the company sufficient funds to pursue such a strategy and Sultan continues to build the blocks to deliver fast growth to the company going forward, including additional management experience, strong relationships, a growing funnel of potential projects and above all a dynamic strategy.

**Derek Lenartowicz**

Managing Director

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**Accompanying Notes:**

1. *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*
  - 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.*

**2. *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.*