

3 August 2009

Preliminary Environmental Assessment Completed for the John Fardy Project

Sultan Corporation Limited (ASX:SSC) is pleased to advise that, as part of the Bankable Feasibility Study (BFS) process, it has received a report on the preliminary fauna assessment undertaken at its wholly owned John Fardy Zinc-Copper project located near Peelwood in New South Wales.

The report concluded that:

'..the likelihood of fauna affecting the approval process is regarded as low.'

Highlights include:

- Low likelihood of fauna affecting mine start-up approval process;
- Fauna typical of Western slopes of NSW;
- Disturbed site due to previous grazing, clearing mining and exploration;
- One (1) vulnerable species noted; and
- Small mine foot print.

The fauna assessment was co-ordinated by Sultan's Environmental Consultant Mr. Mark Cannon. Biodiversity Monitoring Services undertook the fauna assessment. A concurrent preliminary flora assessment was undertaken by Gingra Ecological Services and the report is awaited.

Introduction

SSC commissioned a fauna and flora assessment of its John Fardy Project site. The assessment was intended to address necessary requirements of the NSW Environmental Planning and Assessment, the NSW Threatened Species Conservation Act, the NSW Native Vegetation Act and the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act.

The surveys were coordinated by Mr. Mark Cannon who is an Environmental Consultant representing Sultan Corporation and is supervising the biological and other related environmental related aspects of the project.

The aim was to identify plant communities and possible threatened plant species and also to determine whether or not fauna of significance occur at the site. Biodiversity Monitoring Services undertook the fauna assessment whilst the flora assessment was undertaken by



Gingra Ecological Services. Both assessments included a site visit undertaken on 7th May 2009.

The draft relative locations of the pits, waste dumps, tailings dam and other associated infrastructure are given in Figure 1 accompanying this Quarterly report.

Methodology

The following methodology was used in the assessment:

- Known NSW fauna databases were searched. These include the Bionet (NSW Government) and the Wildlife Database (NSW DECC).
- Site visits were undertaken in May 2009.

Results

The following results were noted:

- the site is hilly and consists of woodland habitat, creeklines and rocky outcrops;
- it is a disturbed site due to previous grazing, clearing, mining and exploration;
- the site visit revealed the presence of (13) bird species and three (3) mammals;
- one (1) vulnerable species was noted;
- the Wildlife database of the NSW DECC was deemed the most appropriate source and a 20km radius search area was chosen;
- the database provided a full list of 130 fauna species; and
- within the 20km radius there are one (1) endangered and seven (7) vulnerable species.

Conclusion

The mine area has a relatively small footprint located on a private farm. The area has been subject to previous disturbance hence affecting the value of remaining habitat.

Endangered and vulnerable species do occur within the vicinity of the project.

Due to the presence of a known vulnerable species, the Brown Treecreeper, noted during the site inspection and the possibility of other endangered and vulnerable species on site, further more detailed assessments may be required to provide information to the planning approval. However based on the work to date, the likelihood of fauna affecting the approval process is regarded as low.

Sultan's Managing Director, Mr. Derek Lenartowicz stated "***The environmental assessment is a critical component of the BFS. We are very pleased that our assessments to date indicate that the likelihood of fauna affecting the approval process is regarded as low***".

Derek Lenartowicz
Managing Director



Figure 1 Location plan - John Fardy and Peelwood Open Pits, Waste Dumps and Tailings.

