SULTAN CORPORATION LIMITED

ABN 84 061 219 985

Annual Report
30 June 2009

CORPORATE DIRECTORY

Directors

Derek Lenartowicz
(Jimmy) Kong Leng Lee
Zoran Kovacev
Milos Bosnjakovic

Company Secretary

Ian Hobson

Auditors

Ord Partners
Level 1
47 - 49 Stirling Highway
Nedlands WA 6009

Bankers

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

Registered Office

Suite 6
245 Churchill Ave
Subiaco WA 6008
Telephone: +61 8 9217 3300
Facsimile: +61 3 9388 3006

Principal Place of Business

Level 1
350 Hay Street
Subiaco WA 6008
Telephone: +61 8 6363 5258
Facsimile: +61 3 9388 6040

Share Registry

Link Market Services Limited
80 Stirling Street
Perth WA 6000

Stock Exchange Listing

Securities of Sultan Corporation Limited are listed on the Australian Securities Exchange

ASX Code: SSC

Web site: www.sultan.net.au

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DIRECTORS' REPORT
30 June 2009

The directors of Sultan Corporation Limited ("Company") present their report including the consolidated financial report of the Company and its controlled entity ("consolidated entity") for the year ended 30 June 2009.

Directors

The names of the directors of the Company in office during the year and until the date of this report are as follows. The directors were in office for this entire period unless otherwise stated.

Derek Lenartowicz	
(Jimmy) Kong Leng Lee	(Appointed 10 February 2009)
Zoran Kovacev	(Appointed 30 March 2009)
Milos Bosnjakovic	(Appointed 2 June 2009)
Trevor Benson	(Appointed 7 August 2007, Resigned 10 February 2009)
Ian Hobson	(Appointed 26 July 2006, Resigned 30 March 2009)

Principal Activities

During the year the principal continuing activity was the exploration of the Peelwood zinc and copper project, incorporating the John Fardy deposit, and estimation of a JORC compliant resource.

Review and Results of Operations

During the year, the Company and consolidated entity:

1. Completed the drilling program at the Peelwood zinc and copper prospect, New South Wales;

2. Completed the initial inferred JORC compliant resource for Peelwood;

3. Updated the JORC resource at the John Fardy zinc and copper deposit, New South Wales;

4. Discovered mineralisation at the Black Springs prospect;

5. Progressed the bankable feasibility study with completion of the preliminary mine design and commencement of the plant design;

The operating loss for the year for the Company and consolidated entity was $1,836,288 (2008: $5,772,906).

On 28 January 2009 the Company announced that it had entered into a conditional agreement to acquire the Chamaguel Phosphate Project, West Africa, by acquisition of 100% of the capital of Aether Minerals and Energy Limited for a consideration for ordinary shares, performance shares, cash and a capped post-production cash flow. However the agreement was terminated on 20 March 2009.

On 1 April 2009 the Company entered into an agreement to engage consultants to procure mining permits in West Africa. As part of that agreement (as varied), the Company advanced the consultant a total of US$500,000 (US$400,000 and US$100,000 pre- and post-year end respectively) as a advance against the fee of US$700,000 payable to the consultant on procurement of the mining permits.

The consultant has been unable to perform the services within the term and the advance is repayable to the Company without deduction. The Company has taken out a second mortgage on the residence of the principals of the consultant as security for the advance. However, there is no reasonable certainty that there would be equity in the property on realisation.

As the advance was made, and is repayable, in USD and the exchange rate has strengthened subsequent to the advancement made in the financial year, an unrealised exchange loss has occurred. The balance of the advance has been fully impaired as there is no reasonable certainty that the advance can and will be repaid.

Had the mining permits been obtained the advances made would have been expensed through profit or loss.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

1. Completed the placement of 41,425,000 shares at 2.4 cents per share to raise $994,200 (before costs of issue);

2. Completed an entitlements issue of 97,518,660 shares at 0.5 cents per share to raise $487,594 (before costs of issue); and

3. Completed a placement of 95.4 million shares at 0.5 cents per share to raise $477,000 (before costs of issue).

Dividends

No dividends were paid or proposed to be paid to members during the financial year.

Matters Subsequent to the End of the Financial Year

The agreement with the consultant to procure mining permits in West Africa was varied subsequent to year end to extend the term and increase the deposit against the fee from US$400,000 to US$500,000 by two US$50,000 instalments, the first payable on registration of the collateral security mortgage, and the second on the Company being satisfied in its absolute discretion with a progress report from the consultant on the procurement of the mining permits.

The instalments have been paid but recoverability is not certain on the same basis as the advance made in the financial year. That advance has been adversely affected by the exchange rate and there is no reasonable certainty that there is equity in the collateral security taken by the Company.

Other than this matter, since 30 June 2009 there has been no matter or circumstance that has arisen (other than that disclosed herein) that has significantly affected, or may significantly affect:

1. the Company's operations in future financial years, or

2. the results of those operations in future financial years, or

3. the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There were no likely developments in the operations of the Company that were not finalised at the date of this report.

Environmental Regulation

The Company is subject to the usual environmental regulations that are applicable to mineral exploration.

Information on Directors

Derek Lenartowicz BS Eng MSE (Executive director, age 51)
Appointed 2 May 2007
Experience and Expertise
Mr. Lenartowicz has extensive project development and mining experience gained with major Australian resources companies at a senior management level. He is a mining engineer with significant experience in developing and operating large scale resource projects such as Western Mining's flagship nickel operation at Mt Keith in Western Australia. He has also held senior positions at North Limited and WMC Resources Limited.

Other Current Directorships
None

Former Directorships in the Last Three Years
View Resources Limited, appointed 2002 and resigned April 2006.
Korab Resources Limited, appointed May 2006 and resigned 1 December 2008.
Syngas Limited, appointed 15 January 2008 and resigned 15 September 2009.

Special Responsibilities
Managing Director

Interests in Shares and Options
59,412,531 ordinary shares
25,000,000 options to acquire ordinary shares

(Jimmy) Kong Leng Lee (Non-Executive director, age 57)
Appointed 10 February 2009
Experience and Expertise
Mr Lee is regarded as specialist in the phosphate industry with the experience gained as Operations Manager and then General Manager of Christmas Island Phosphates. He has also been successful at contract negotiations and company investment strategies. As General Manager of Carey Mining Pty Ltd his responsibilities included contract management, company finance, general management and business development. Mr Lee has worked with a number of major Australian resources companies and has held senior positions with Carey Mining Pty Ltd; Christmas Island Phosphates, WMC Limited and North Limited.

Other Current Directorships
None

Former Directorships in the Last Three Years
Terrain Minerals Limited, appointed 8 September 2005 and resigned 22 May 2008.

Special Responsibilities
None

Interests in Shares and Options
1,830,952 ordinary shares

Zoran Kovacev (Non-Executive director, age 50)
Appointed 30 March 2009
Experience and Expertise
Mr Kovacev has worked for over 16 years in the mining industry in various senior management roles and is currently consulting as a senior engineering geologist and operations manager.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

DIRECTORS' REPORT
30 June 2009

Information on Directors (continued)

Special Responsibilities
None

Interests in Shares and Options
None

Milos Bosnjakovic (Non-Executive director, age 51)

Appointed 2 June 2009
Experience and Expertise
Mr Bosnjakovic has extensive experience and knowledge in project development, financial control and contract negotiation and, as a former lawyer, he has a high level of competency in all aspects of business and company law. He is currently managing director of MBL Construction Pty Ltd, a residential development company with annual turnover of $60 million.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

Special Responsibilities
None

Interests in Shares and Options
66,638,095 ordinary shares

Company Secretary
The company secretary is Ian Hobson who holds a Bachelor of Business Degree and is a Chartered Accountant and Chartered Secretary. Mr Hobson was appointed to the position of Company secretary on 26 July 2006. Mr Hobson was also a director of the Company from 26 July 2006 until 30 March 2009. Mr Hobson provides company secretarial services and corporate, management and accounting advice to a number of listed public companies involved in the resource, technology and retail industries.

Meetings of Directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2009, and the numbers of meetings attended by each director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Derek Lenartowicz	16	16
Ian Hobson	12	12
Trevor Benson	9	9
Jimmy Lee	7	7
Zoran Kovacev	4	4
Milos Bosnjakovic	1	1

Remuneration Report (audited)

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

The information provided in the Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Remuneration Report (audited) (continued)

1 **Principles used to determine the nature and amount of remuneration** (audited)

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) acceptability to shareholders;

(iii) performance linkage / alignment of executive compensation;

(iv) transparency; and

(v) capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

(i) focuses on sustained growth in shareholder wealth; and

(i) attracts and retains high calibre executives.

Alignment to program participants' interests:

(i) rewards capability and experience; and

(ii) provides a clear structure for earning rewards.

Executive director and key executive

Fees and payments to executives reflect the demands which are made on them and their responsibilities. The executives' remuneration is reviewed annually by the Board to ensure that executives' fees and salaries are appropriate and in line with the market. No executive director or key executive personnel received share based payments as part of their compensation packages during the financial year. In 2008, the executive director and key executive did receive share based payments as part of their compensation packages.

Non-executive directors

Fees to non-executive directors are determined by the Board as appropriate and in line with market and are reviewed annually. No non-executive director received share based payments as part of their remuneration during the financial year. In 2008, a non-executive director did receive a share based payment as part of his compensation package. There are no fees based on the financial performance of the Company and consolidated entity.

Retirement allowances and benefits for directors

There are no retirement or termination allowances, profit sharing, bonuses, or other performance related remuneration or benefits paid to directors, other than pursuant to the service agreement with the executive director.

Remuneration Report (audited) (continued)

2 Details of remuneration (audited)

The amount of remuneration of the directors and the key management personnel of Sultan Corporation Limited (as defined in AASB 124 Related Party Disclosures) is set out in the following tables. The key management personnel in addition to the directors who has authority and responsibility for planning, directing and controlling is Kevin Alexander, Chief Geologist.

2009		Short term employee benefits					Post employment benefits	Other long term	Termination benefits	Share based payments	Total
		Salary & fees	Cash profit sharing & other bonuses	Non-monetary benefits	Other	Total	Super-annuation			Options	
		$	$	$	$	$	$	$	$	$	$
Executive director											
Derek Lenartowicz	(ii)	226,200	-	-	-	226,200	-	-	-	-	226,200
Non-executive directors											
Trevor Benson (resigned 10 Feb 2009)	(i)	18,349	-	-	-	18,349	1,651	-	-	-	20,000
(Jimmy) Kong Leng Lee (appointed 10 Feb 2009	(i) (iii)	11,506	-	-	-	11,506	-	-	-	-	11,506
Zoran Kovacev (appointed 30 Mar 2009)	(i)	6,881	-	-	-	6,881	619	-	-	-	7,500
Milos Bosnjakovic (appointed 2 June 2009)	(i)	-	-	-	-	-	-	-	-	-	-
Key Personnel											
Ian Hobson (resigned as a director 30 Mar 2009)	(iv)	60,000	-	-	-	60,000	-	-	-	-	60,000
Kevin Alexander		150,000	-	-	-	150,000	13,500	-	-	-	163,500
Totals		**472,936**	-	-	-	**472,936**	**15,770**	-	-	-	**488,706**

(i) Refers to director's fees earned for the period acting as a Director.

(ii) Vonski Pty Ltd and Voitek Pty Ltd, entities associated with Derek Lenartowicz, were paid $18,850 (2008: Nil) and $207,350 (2008: Nil) for director's fees.

(iii) M8 Holdings Pty Ltd, an entity associated with (Jimmy) Kong Leng Lee, was paid $11,506 (2008:Nil) for director's fees.

(iv) Churchill Services Pty Ltd, an entity associated with Ian Hobson, was paid $60,000 (2008:$60,000) for director's fees and company secretarial services.

Remuneration Report (audited) (continued)

2 Details of remuneration (audited) (continued)

2008		Short term employee benefits					Post employment benefits	Other long term	Termination benefits	Share based payments	Total
		Salary & fees	Cash profit sharing & other bonuses	Non-monetary benefits	Other	Total	Super-annuation			Shares & Options	
		$	$	$	$	$	$	$	$	$	$
Executive director											
Derek Lenartowicz		193,761	-	-	-	193,761	17,438	-	-	-	211,199
Non-executive directors											
Trevor Benson (appointed 7 Aug 2007)	(i)	25,229	-	-	-	25,229	2,270	-	-	260,100	287,599
Ross Warner (resigned 7 Aug 2007)	(i)	5,000	-	-	-	5,000	-	-	-	-	5,000
Ian Hobson		60,000	-	-	-	60,000	-	-	-	-	60,000
Key Personnel											
Kevin Alexander	(i) (ii)	150,000	-	-	-	150,000	12,655	-	-	715,700	868,971
Totals		**424,606**	**-**	**-**	**-**	**424,606**	**32,363**	**-**	**-**	**975,800**	**1,432,769**

(i) Refers to remuneration earned for the period acting as a Director or key executive.
(ii) Kevin Alexander was appointed chief geologist on 24 July 2007.

3 Service agreements (audited)

Service agreements have been entered into with Derek Lenartowicz (Managing Director) and Kevin Alexander (Chief Geologist) as follows:

Derek Lenartowicz, Managing Director

- Term of agreement – 3 years commencing 18 June 2007.
- Base salary of $180,000 exclusive of superannuation reviewed annually.
- Director's fees of $30,000 inclusive of superannuation reviewed annually.
- Termination: By Company with reason - 3 months notice if incapacitated or mentally unstable; 1 months notice if incompetent or serious breach of the agreement; By Company without reason - 3 months notice and 9 months salary; or 12 months in lieu of notice. By executive – 3 months notice or after 28 days if the Company has failed to remedy a serious breach of the agreement.

Kevin Alexander, Chief Geologist

- Employed pursuant to an Employment Agreement dated 24 July 2007
- Base salary of $150,000 plus superannuation reviewed annually. No fixed term.
- 7,000,000 shares and 9,000,000 2 cent options escrowed pending completion of 2 years continuous employment with the Company (released from escrow 23 July 2009).
- Termination: By Company - 4 weeks notice or payment in lieu of notice. By employee – 3 months notice.

Neither the non-executive directors, Jimmy Lee, Zoran Kovacev and Milos Bosnjakovic, nor the company secretary, Ian Hobson, are subject to service agreements. They serve until they resign, are removed, cease to or are prohibited from holding the position under the provisions of the *Corporations Law 2001*, or are not re-elected to office. They are remunerated on a monthly basis with no termination payments payable.

Remuneration Report (audited) (continued)

4 Share-based compensation (audited)

During the period, no shares or options were issued to directors or key personnel in consideration for services rendered. During 2008 the following shares and options were issued to directors and executive as follows:

Issue Date	Issued to:	Exercise Price	Expiry Date	Allocated to:	Issued	Value $
Shares						
5/11/2007	Trevor Benson			Administration	3,000,000	142,800
5/11/2007	Kevin Alexander			Administration	7,000,000	333,200
Options						
5/11/2007	Kevin Alexander	2 cents	31 Dec 2010	Administration	9,000,000	382,500
5/11/2007	Trevor Benson	5 cents	31 Dec 2009	Exploration & evaluation	3,000,000	117,300

The share values were determined using the quoted closing share price on the allotment date of the shares. The option values were determined using a pricing model that factors in the share price at grant date, the expected price volatility of the underlying share, and the risk free rate for the assumed term of the option. The inputs are:

Input to model	9,000,000 options	3,000,000 options
Expiry date	31 Dec 2010	31 Dec 2009
Exercise price per option	2 cents	5 cents
Market price of a share	4.76 cents	4.76 cents
Fair value per option	4.25 cents	3.91 cents
Volatility factor	1.826	1.826
Risk free interest rate	6.75%	6.75%
Grant date	5/11/2007	5/11/2007

The terms and conditions of the options issued in 2008 (see Note 22) have not changed.

The consolidated entity does not have a policy on executives and directors hedging equity remuneration received.

(End of Remuneration Report)

Additional information

(a) Shares Under Option

At 30 June 2009 there were 75,500,000 ordinary shares under option (2008: 81,500,000) made up of:

1. 23,500,000 options with an exercise price of 1 cent on or before 31 December 2009
2. 40,000,000 options with an exercise price of 2 cents on or before 31 December 2010
3. 3,000,000 options with an exercise price of 5 cents on or before 31 December 2009
4. 9,000,000 options with an exercise price of 2 cents on or before 31 December 2010 but escrowed pending 2 years of completed employment with the Company.

(b) Insurance of Officers

During the financial year the Company paid a premium of $18,016 (2008: $17,206) to insure the directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Additional information (continued)

(c) Agreement to Indemnify Officers

The Company has entered into agreements to provide access to Company records and to indemnify the directors of the Company. The indemnity relates to any liability:

1. as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and
2. for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on Behalf of the Company

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237 of the *Corporations Act 2001*.

(e) Auditor

Ord Partners are the appointed auditors of the Company and remain in office in accordance with Section 327 of the *Corporations Act 2001*.

(f) Indemnity of Auditor

The auditor (Ord Partners) has not been indemnified under any circumstance.

(g) Audit Services

During the financial year $32,375 (2008: $27,500) was paid or is payable for audit services provided by the auditor, Ord Partners.

(h) Non-Audit Services

There were no non-audit services provided by the auditors (Ord Partners) during the financial year. However, the Company may in the future decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company are important.

(i) Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 13 of the Annual Report.

Signed in accordance with a resolution of the directors.
On behalf of the directors

Derek Lenartowicz
Managing Director
Perth
25 September 2009

ORD PARTNERS
CHARTERED ACCOUNTANTS

To the Board of Directors of Sultan Corporation Limited

Dear Sirs

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2009, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully
ORD PARTNERS

Robert Parker
Partner

Perth

25 September 2009

Ian K Macpherson CA

Robert W Parker CA

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Chartered Accountants

Corporate Governance Statement

Sultan Corporation Limited and the board of directors ("Board") are committed to achieving and demonstrating the highest standards of corporate governance.

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the board. These are reviewed on an annual basis.

Compliance with the Corporate Governance Council Recommendations

The Board endorses the ASX Corporate Governance Council's - Corporate Governance Principles and Recommendations, and has adopted corporate governance charters and policies reflecting those recommendations to the extent appropriate having regard to the size and circumstances of the Company. Where the Company has not adhered to the policies set out in its board charter for corporate governance it has stated that fact in this statement.

The corporate governance charters and policies adopted by the Board are available from the Company's registered office and website www.sultan.net.au. In accordance with the recommendations of the ASX, information published on the Company's website includes charters (for the board and its sub-committees), codes of conduct and other policies and procedures relating to the board and its responsibilities.

Major Corporate Governance Practices

A description of the Company's current corporate governance practices are set out below.

The Board of Directors

The Board operates in accordance with the broad principles set out in its charter. The charter details the board's composition and responsibilities.

Composition

The Board composition changed during the year. Consistent with the size of the Company and its activities, the board is comprised of four (4) directors, three (3) of whom are non-executive directors (two (2) of these are independent) and one (1) is an executive director. The board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the board does not currently conform to its policy.

Details of the members of the Board, their experience, expertise, qualifications, term of office and status are set out in the Directors' Report under the heading "Information on Directors".

The Company does not have a Chairman. This role is assumed by the managing director.

Board Responsibilities

The responsibilities of the Board include:

(i) providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
(ii) reviewing and approving business plans and financial plans including available resources and major capital expenditure initiatives;
(iii) overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
(iv) compliance with the Company's code of conduct;
(v) progressing major capital works and other significant corporate projects including any acquisitions or divestments;
(vi) monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
(vii) appointment, performance assessment and, if necessary, removal of the directors;

Corporate Governance Statement (continued)

Board Responsibilities (continued)

(viii) ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the chief financial officer and the Company secretary;
(ix) ensuring there are effective management processes in place and approving major corporate initiatives;
(x) enhancing and protecting the reputation of the organisation; and
(xi) overseeing the operation of the Company's system for compliance and risk management reporting to shareholders.

Commitment

The number of meetings of the Board of directors held during the year ended 30 June 2009, and the number of meetings attended by each director is disclosed in the Directors' Report under the heading "Meetings of Directors'"

Conflict of interests

There were no conflicts of interest during the reporting period.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

Performance assessment – the Board and Senior Executives

The corporate governance policy provides that the Board undertake an annual self assessment of its collective and individual performance and formal evaluations of senior executives. For the current period, these assessments were not undertaken due to changes in the Board composition resulting in three of the four directors being appointed for less than 1 year. A formal performance with the senior executive did not occur as he works closely with the managing director on a daily basis.

Remuneration

The Remuneration Report outlines the director remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations 2001*. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

The Company currently has one executive director and three non-executive directors that are remunerated at market rates for comparable companies for the time, commitment and responsibilities.

The board determines the remuneration paid to directors having regard to market practices and the size and nature of the Company and its operations, subject to the maximum aggregate remuneration approved by the shareholders at a general meeting.

No share based payments, bonuses or retirement benefits were paid to any director during the financial year. All directors received a fixed fee. Superannuation contributions were made for and on behalf of the executive director and one non-executive director.

Trading in the Company's Shares

The Company has established a policy concerning trading in securities by directors, senior executives and employees. In summary, no directors, senior executives and employees may trade in the Company's securities at any time when they are in possession of unpublished price sensitive information in relation to those securities.

As required by the ASX Listing Rules, the Company is to notify the ASX of any transaction conducted by any director in the listed securities of the Company.

Corporate Governance Statement (continued)

Corporate reporting

The managing director and company secretary have made the following certifications as to the Financial Report for the reporting period ended 30 June 2009:

(i) that the Company's Financial Report is complete and presents a true and fair view, in all material respects, of the financial condition and operational results of the Company; and

(ii) that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that system is operating efficiently and effectively in all material respects.

Board committees

The Board's charter calls for the establishment of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. As at the date of this report, no committees have been established as the structure of the Board, the size of the Company and the scale of its activities allows all directors to participate fully in all decision making. When the circumstances require it, an audit committee, nomination committee, risk management committee and remuneration committee will be established and each committee will have its own charter approved by the Board that will set the standards for the operation of the committees.

External auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and if deemed appropriate having regards to the assessment of performance, existing value and costs , applications for tender of external audit services can be requested,

It is the policy of Ord Partners to:

1. rotate audit engagement partners on listed companies at least every five years; and
2. provide an annual declaration of their independence to the Company.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and in Note 25 to the financial statements.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Audit Report.

Risk assessment and management

The Company risk management policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the code of conduct is required at all times and the Board actively promotes a culture of quality and integrity.

The Company's risk management policy and the operation of the risk management and compliance system are managed by the Board. Control procedures cover management accounting, financial reporting, project appraisal, compliance and other risk management issues.

The Company's current activities expose it to minimal risk. However, as activities increase there may be exposure to market, credit, and liquidity risks. The Company currently has currency risk as it has made a loan in USD. That loan is repayable if the recipient does not perform its services (See Note 13 to the financial statements).

There is further commentary on financial risk management at Note 2 to the financial statements.

Corporate Governance Statement (continued)

Code of Conduct

The Company has developed a statement of values and a code of conduct which has been fully endorsed by the Board and applies to all directors and any employees if and when they are engaged. The code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Shareholders that have made an election receive a copy of the Company's Annual Report by mail. Otherwise, the Annual Report is available on the Company's website.

Non-Compliance with ASX Principles and Recommendations

The Company has not complied with the ASX Principles and Recommendations as follows:

Recommendation Ref	Notification of Departure	Explanation for Departure
1.3 2.6	Performance Evaluations	Evaluations of the Board, committees and executives did not occur during the year as set out above.
2.1	A majority of the Board should be independent directors.	As stated above, the majority of the Board was not independent. The Board considered that given the size and activities of the Company, the current Board was a cost effective and practical way of directing and managing the Company.
2.2 2.3	The chair should be an independent director. The roles of chair and chief executive officer should not be exercised by the same individual	The Company does not presently have a chairman. That role is assumed by the managing director. It is the Board's view that the size and complexity of the Company does warrant the appointment of a chairman at this time.
2.4	The Board should establish a nomination committee.	Currently, the Company has decided not to have a nomination committee given its size and scope. The Board, as a whole, serves to identify, appoint and review Board membership through an informal assessment process and in consultation with the Company's external professional advisors.

Corporate Governance Statement (continued)

Non-Compliance with ASX Principles and Recommendations (continued)

Recommendation Ref	Notification of Departure	Explanation for Departure
4.1 4.2 4.3	The Board should establish an audit committee. The audit committee should be structured so that it: (a) Consists only of non-executive directors (b) Consists of a majority of independent directors (c) Is chaired by an independent chair, who is not chair of the Board; and (d) Has at least three members. The audit committee should have a formal charter	The directors do not consider the Company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes the full Board will carry out any necessary audit committee functions.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risk.	The Company has one senior manager who works closely with the managing director on a daily basis and monitor material business risks.
8.1	The Board should establish a remuneration committee	The Company does not have a remuneration committee due its size.

INCOME STATEMENT
For the year 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Other Revenue	5	65,461	162,605	65,461	162,605
Employee Benefits–Share based payments		-	(763,300)	-	(763,300)
Employee Benefits – Cash		(241,705)	(210,616)	(241,705)	(210,616)
Directors' Remuneration–Share based payments		-	(260,100)	-	(260,100)
Directors' Remuneration - Cash		(310,206)	(286,284)	(310,206)	(286,284)
Other expenses	6	(614,379)	(914,724)	(614,379)	(914,724)
Interest expense		-	(898)	-	(898)
Exploration costs expensed as incurred		(173,661)	(1,284,589)	(173,661)	(1,284,589)
Impairment of investment in subsidiary	7	-	-	-	(2,215,000)
Impairment of goodwill	9	-	(2,215,000)	-	-
Unrealised foreign exchange loss	13	(69,520)	-	(69,520)	-
Impairment of advance	13	(492,278)	-	(492, 278)	-
Loss before income tax expense		(1,836,288)	(5,772,906)	(1,836,288)	(5,772,906)
Income tax expense	10	-	-	-	-
Loss after tax		**(1,836,288)**	**(5,772,906)**	**(1,836,288)**	**(5,772,906)**
Basic and diluted loss per share (cents per share)	29	(0.31)	(1.18)	(0.31)	(1.18)

The income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
As at 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current assets					
Cash and cash equivalents	11	884,604	1,845,259	884,604	1,845,259
Trade and other receivables	12	179,643	30,833	179,643	30,833
Advance	13	-	-	-	-
Other financial assets	14	26,729	25,348	26,729	25,348
Total current assets		1,090,976	1,901,440	1,090,976	1,901,440
Non-current assets					
Other assets	15	91,345	91,345	91,345	91,345
Plant and equipment	16	29,638	40,794	29,638	40,794
Exploration and evaluation assets	18	3,237,240	3,237,240	3,237,240	3,237,240
Investments	7	-	-	-	-
Total non-current assets		3,358,223	3,369,379	3,358,223	3,369,379
Total assets		4,449,199	5,270,819	4,449,199	5,270,819
Current liabilities					
Trade and other payables	19	234,585	176,359	234,585	176,359
Provision	20	25,188	23,303	25,188	23,303
Total current liabilities		259,773	199,662	259,773	199,662
Total liabilities		259,773	199,662	259,773	199,662
Net assets		**4,189,426**	**5,071,157**	**4,189,426**	**5,071,157**
Equity					
Issued capital	21	38,442,800	36,566,043	38,442,800	36,566,043
Share application proceeds	21	-	922,200	-	922,200
Reserves	22	2,097,387	2,303,787	2,097,387	2,303,787
Accumulated losses	22	(36,350,761)	(34,720,873)	(36,350,761)	(34,720,873)
Total equity		**4,189,426**	**5,071,157**	**4,186,426**	**5,071,157**

The balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2009

	Note	Issued capital $	Share Application Proceeds $	Option Premium Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
		Consolidated and Company					
Balance at 1 July 2008		36,566,043	922,200	587	2,303,200	(34,720,873)	5,071,157
Loss for period		-	-	-	-	(1,836,288)	(1,836,288)
Total recognised income and expenses for the year		-	-	-	-	(1,836,288)	(1,836,288)
Shares issued	21	1,958,794	(922,200)	-	-	-	1,036,594
Capital raising costs		(82,037)	-	-	-	-	(82,037)
Options expired		-	-	-	(206,400)	206,400	-
Balance at 30 June 2009		**38,442,800**	**-**	**587**	**2,096,800**	**(36,350,761)**	**4,189,426**

For the year ended 30 June 2008

	Note	Issued capital $	Share Application Proceeds $	Option Premium Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
		Consolidated and Company					
Balance at 1 July 2007		30,441,412	-	1,000	-	(28,947,967)	1,494,445
Loss for period		-	-	-	-	(5,772,906)	(5,772,906)
Total recognised income and expenses for the year		-	-	-	-	(5,772,906)	(5,772,906)
Share based payments	22	3,327,700	-	-	2,303,200	-	5,630,900
Shares issued	21	2,926,485	-	-	-	-	2,926,485
Receipt of share application proceeds	21	-	922,200	-	-	-	922,200
Transfer on exercise of options	22	413	-	(413)	-	-	-
Capital raising costs		(129,967)	-	-	-	-	(129,967)
Balance at 30 June 2008		**36,566,043**	**922,200**	**587**	**2,303,200**	**(34,720,873)**	**5,071,157**

The statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
For the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash flows from operating activities					
Receipts from customers		10,179	15,978	10,179	15,978
Payments to suppliers and employees		(1,104,106)	(1,164,145)	(1,104,106)	(1,164,145)
Exploration expenditure		(304,533)	(1,174,701)	(304,533)	(1,174,701)
Interest received		56,207	147,368	56,207	147,368
Interest paid		-	(898)	-	(898)
Net cash flows used in operating activities	28	**(1,342,253)**	**(2,176,398)**	**(1,342,253)**	**(2,176,398)**
Cash flows from investing activities					
Deposits paid		-	(60,000)	-	(60,000)
Acquisition of financial asset		-	(25,000)	-	(25,000)
Acquisition of mining tenements		-	(1,098,741)	-	(1,098,741)
Acquisition of plant and equipment		(1,940)	(40,121)	(1,940)	(40,121)
Advance		(561,797)	-	(561,797)	-
Net cash flows used in investing activities		**(563,737)**	**(1,223,862)**	**(563,737)**	**(1,223,862)**
Cash flows from financing activities					
Proceeds from issue of share capital		1,025,793	2,735,436	1,025,793	2,735,436
Proceeds from share applications		-	922,200	-	922,200
Payment of share issue costs		(80,458)	(129,967)	(80,458)	(129,967)
Net cash flows provided by financing activities		**945,335**	**3,527,669**	**945,335**	**3,527,669**
Net Increase/(decrease) in cash and cash equivalents		**(960,655)**	**127,409**	**(960,655)**	**127,409**
Cash and cash equivalents at beginning of the year		1,845,259	1,717,850	1,845,259	1,717,850
Cash and cash equivalents at end of the year	11	**884,604**	**1,845,259**	**884,604**	**1,845,259**

The cash flow statement of should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated. This Financial Report covers the consolidated entity, comprising Sultan Corporation Ltd (the "Company") and its subsidiary, Isabella Minerals Pty Ltd.

The Company is a listed public company and it and its subsidiary are domiciled in Australia. The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with the *Corporations Act 2001*and Australian Accounting Standards (including Australian Interpretations) issued by the Australian Accounting Standards Board unless stated otherwise.

It is recommended that this Financial Report be read in conjunction with any public announcements made by Sultan Corporation Limited and its controlled entity during the year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Compliance with IFRS
The consolidated Financial Report also complies with International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board (IASB).

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 3.

Going concern

The Financial Report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company and consolidated entity have each incurred a net loss after tax for the year ended 30 June 2009 of $1,836,288 (2008; $5,772,906) and experienced net cash outflows from operating activities of $1,342,353 (2008: $2,176,398).

The Directors believe that there are sufficient funds to meet the Company and the consolidated entity's working capital requirements. However, the Director recognise that the ability of the Company and the consolidated entity to continue as going concerns and to pay their debts as and when they fall due is dependent on the ability of the Company and the consolidated entity to secure further working capital by the issue of additional equities, debt, entering into negotiations with third parties regarding the sale of non-core assets or farm out of assets, or a combination of debt, equity and/or the sale of assets.

During the year, the Company has successfully raised $1.9 million (2008:$2.9 million) excluding capital raising costs through the issue of 234 million ordinary fully paid shares (2008: 83 million ordinary fully paid shares).

Based on the above, the Directors are confident that the Company will successfully raise additional funds to meet its financial obligation in the future period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company and consolidated entity will achieve the matters set out above.

Notwithstanding this, there is significant uncertainty whether the Company and the consolidated entity will be able to continue as going concerns.

Should the Company and the consolidated entity be unable to continue as going concerns, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the Financial Report.

The Financial Report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the consolidated entity be unable to continue as going concerns.

(b) Other income

Interest income is recognised as it accrues on the effective interest method. Rental income is recognised as it is receivable.

(c) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(e) Trade Receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

(f) Financial Instruments

Investments are classified financial assets at fair value through profit and loss, other assets, held to maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

(i) Available-for-sale financial assets
Available-for-sale financial assets comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Other assets
Other assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

(g) Plant & Equipment

Plant and equipment is shown at cost less accumulated depreciation and impairment losses (refer note (m)). Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Category	Useful Life	Depreciation Rates
Office Furniture & Equipment	0-6.67 years	15-100%
Computer Equipment	3.3 years	30%
Leasehold Improvements	3 years	33%

(h) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Sultan Corporation Ltd as at 30 June 2009 and the results of the subsidiary for the period then ended.

Subsidiaries are those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholder of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and consolidated entity. Consolidation ceases from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company and consolidated entity. Any and all intercompany transactions and balances between the Company and its subsidiary are eliminated on consolidation.

(i) Investment in Subsidiary

The subsidiaries are recognised at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(j) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the consolidated entity's interest in the net fair value of the acquiree's identifiable assets liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(k) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the consolidated entity's cash-generating units (CGUs) or groups of CGUs, expected to benefit from the synergies of the business combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

(l) Exploration and Development Assets and Mining Tenements

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are expensed as incurred and only carried forward where there is certainty that the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year the decision is made.

Each area of interest is also reviewed at the end of each accounting year and accumulated costs written off to the extent that they will not be recoverable in the future.

Mining tenements are recognised at cost less impairment losses.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

1 Summary of significant accounting policies (continued)

(m) Impairment of Non – Financial Assets (Other than Goodwill)

Non-financial assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The consolidated entity assesses at each reporting date whether any objective indications of impairment are present. Where such an indicator exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects the current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(o) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the consolidated entity as lessee are classified as operating leases (Note 26). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(p) Employee Benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated cash outflows.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(q) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(r) Loss Per Share

Basic loss per share ("LPS") is calculated by dividing the profit attributable to equity holders of the consolidated entity by the weighted number of shares outstanding during the year.

Diluted LPS adjusts the figures used in the calculation of basic LPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Segments

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(u) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Company and consolidated entity assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)

AASB 8 will replace AASB114 Segment Reporting and adopt a management approach to segment reporting on financial performance. The Group will adopt AASB 8 from 1 July 2009. However, given the current level of operations, it is unlikely to increase the number of reportable segments.

(ii) *Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)*

The revised AASB 101 requires the presentation of a statement of comprehensive income and makes revisions including changes to the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes the presentation requirements for dividends, and changes to the titles of financial statements. However, this will not affect any of the amounts recognised in the financial statements. The Group will apply the revised standard from 1 July 2009.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 **Summary of significant accounting policies** (continued)

(u) New Accounting Standards and Interpretations (continued)

(iii) *AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)*

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Company and consolidated entity will apply the revised standard from 1 July 2009. However, it is not expected to affect the accounting for the share-based payments made by the Company.

(iv) *Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)*

The revised AASB 3 continues to apply the purchase method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the current policy of the Company and consolidated entity set out in Note 1(j) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

There have been no business acquisitions made by the consolidated entity in the current or prior year. However the revised standards will be applied prospectively to any and all business combinations and transactions with non-controlling interests from 1 July 2009.

(v) *AASB 2008-6 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 January 2009)*

The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer to AASB 2008-6].

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 Summary of significant accounting policies (continued)
(u) New Accounting Standards and Interpretations (continued)

(vi) *AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)*

The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value. Adoption of the amendments from 1 July 2009 will not impact the financial report.

(vii) *AASB 2009-5 Amendments to Australian Accounting Standards – exploration expenditure*

This amendment clarifies that cash flows on exploration expenditure be classified as operating cash flows and not Investing activities.

2 Financial Risk Management

Risk management is carried out by the Board of directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management. The current activities of the Company and consolidated entity expose them to minimal risk. However, as activities increase there may be exposure to market, credit and liquidity risks.

(a) Market Risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the income or the value of financial instruments of the Company and consolidated entity.

Price risk
The Company and consolidated entity are not exposed to equity securities price risk as there is no holding of investments in securities classified on the balance sheet as available-for-sale or at fair value through profit or loss. The Company and the consolidated entity are not exposed to commodity price risk as their mining assets are not in production.

Currency Risk
The consolidated entity is not ordinarily exposed to currency risk as it receives its income and pays its liabilities in Australian dollars. However, during the period a USD loan has been made and the movement in the exchange rate from the advancement date to the reporting date has led to an unrealised exchange loss.

Interest Rate Risk

The consolidated entity has interest bearing assets in the form of cash and cash equivalents. Therefore the consolidated entity's income and operating cash flows are subject to changes in the market rates.

The exposure of the Company and consolidated entity to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates, and the weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

2 Financial Risk Management (continued)

	Weighted Average Interest Rate	Floating Interest rate	Non-interest bearing	Total
2009 Consolidated and Company				
Financial Assets:		$	$	$
Cash and cash equivalents	4.62%	484,427	400,177	884,604
Trade & other receivables		-	160,889	160,889
Other		-	26,729	26,729
Total Financial Assets		484,427	587,795	1,072,222
Financial Liabilities				
Payables		13,125	221,460	234,585
Total Financial Liabilities		13,125	221,460	234,585
Net Financial Assets		471,302	366,335	837,637
2008 Consolidated and Company				
Financial Assets:				
Cash and cash equivalents	6.59%	997,128	848,130	1,845,258
Trade & other receivables		-	30,833	30,833
Other		-	25,348	25,348
Total Financial Assets		997,128	904,311	1,901,439
Financial Liabilities				
Payables		-	176,359	176,359
Total Financial Liabilities		-	176,359	176,359
Net Financial Assets		997,128	727,952	1,725,080

The risk of market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Company or consolidated entity. If interest rates had moved at 30 June and all other variables held constant, the loss before tax and cash flow would be affected as illustrated in the following table:

	Loss before tax and cash flow	
	2009	**2008**
Consolidated Entity and Company	**$**	**$**
+1% (100 basis points)	4,844	9,971
-0.5% (50 basis points)	(2,422)	(4,985)

The consolidated entity does not hedge against interest rate risk.

The carrying value of financial assets and financial liabilities recorded in the Company and financial statements represent their respective fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements. Due to their liquid nature, the carrying amount of cash and cash equivalents is the fair value. Due to the short term nature, the receivables and payables carrying amounts reflect the fair value.

(b) Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Other than the Company having all of its cash and cash equivalents with one major Australian bank, the Company would not ordinarily have a significant concentration of credit risk.

However, it has made an advance of US$400,000 that was to applied against a fee on the procurement of mining permits. The mining permits have not been procured and the advance is repayable. Whilst the advance is secured against property, there is no reasonable certainty that the advance will be recovered and it has been fully impaired (see Note 13).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

2 Financial Risk Management (continued)

(c) Capital Risk Management and Liquidity Risk

Capital is the funding required to continue the activities of the Company and consolidated entity. Capital risk is the risk that the Company can raise capital as and when required to fund the operations of the Company and the consolidated entity. Liquidity risk is the risk that the Company and consolidated entity can meet its financial obligations as and when due.

The Company and the consolidated entity objective in managing capital is to safeguard the ability to continue as a going concern to provide a return to shareholders and reduce the cost of capital. In order to maintain the capital structure, the Company has undertaken capital raisings.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company and consolidated entity manage liquidity risk by continuously monitoring forecast and actual cash flows and requirements for future capital raisings. The Company and consolidated entity have no committed credit lines available, which is appropriate given the nature of the operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation which are available as required.

The material liquidity risk for the Company and consolidated entity is the ability to raise equity in the future. The consolidated entity's base case cash flow forecast show that current funds are sufficient to fund the operations of the company until at least 31 December 2009. The Company has historically raised sufficient capital to fund its operations and is planning to raise equity during the current year. Beyond that date it will be reliant on its ability to reduce costs and raise further capital.

3 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. No critical accounting estimates and / or assumptions have been made during the preparation of the Financial Report other than the expensing of exploration costs as incurred, the impairment of goodwill/investment in subsidiary in 2008 and in valuing share based payments made in 2008.

Exploration: Exploration and evaluation costs continue to be expensed as incurred and not carried forward as there is uncertainty that the expenditure can be recouped through the sale or successful development and exploitation of the areas of interest.

Impairment: The Company and consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the Company and consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The impairment loss recorded in the 2009 was $492,278 (2008:$2,215,000).

Share Based Payments: The Company and consolidated entity measures the cost of equity settled transactions with employees, vendors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes valuation model.

4 Segment Information

Description of business segment

The consolidated entity is organised into the following divisions by product and service type:

Exploration

Prospective zinc and copper tenements in New South Wales.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

4 Segment Information (continued)

Geographical Segment

The consolidated entity is domiciled in Australia and operates solely within Australia.

5 Other income

	Consolidated		Company	
Other income:	2009	2008	2009	2008
	$	$	$	$
Rent	8,654	10,912	8,654	10,912
Other	600	3,974	600	3,974
Interest received	56,207	147,719	56,207	147,719
	65,461	**162,605**	**65,461**	**162,605**

6 Expenses

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Administration Costs include:				
Accounting & Audit Fees	69,037	49,745	69,037	49,745
ASX Listing Fees	30,608	39,316	30,608	39,316
Consultants' Fees	143,454	390,861	143,454	390,861
Depreciation	14,590	17,447	14,590	17,447
Office Rent	71,940	50,146	71,940	50,146
Travel & Accommodation	134,289	124,291	134,289	124,291

7 Investments

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Available-for-sale financial asset:				
Investment in Hong Kong Dragon Industries Ltd	100,000	100,000	100,000	100,000
Less: Provision for impairment loss	(100,000)	(100,000)	(100,000)	(100,000)
	-	-	-	-
Investment in Subsidiary: Isabella Minerals Pty Ltd	-	-	2,215,000	2,215,000
Less: Provision for impairment loss	-	-	(2,215,000)	(2,215,000)
	-	-	-	-

Whilst the Company has a 30% interest in Hong Kong Dragon Industries Ltd ("HKD"), HKD is not an associate of the Company. The Company has no board representation and does not have the ability to participate in the financial and operating policy decisions of HKD.

8 Acquisition of subsidiary

On 10 July 2007 the Company acquired 100% of the issued capital of Isabella Minerals Pty Ltd (holder of Exploration Licence Application ELA3081 in New South Wales) from Derek Lenartowicz, a director of the Company. The consideration was 25,000,000 ordinary shares and 25,000,000 2 cent options expiring 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

8 Acquisition of subsidiary (continued)

Name of business acquired	Principal activity	Date of acquisition	Portion of shares acquired	Cost of Acquisition $
Isabella Minerals Pty Ltd	Zinc Exploration	10 July 2007	100%	2,215,000

Net assets acquired	Book Value	Fair value adjustment	Fair value on acquisition $
Mining tenements	-	-	-
Goodwill on acquisition			2,215,000

The directors assessed the recoverable amount of tenement ELA 3081 held by Isabella Minerals Pty Ltd at nil and therefore the acquisition of Isabella Minerals Pty Ltd comprised goodwill of $2,215,000.

Consideration for the acquisition of Isabella Minerals Pty Ltd was the issue of securities in the Company as at 10 July 2007. The methodology used to calculate the fair value of the cost of the acquisition is set out as follows:

Securities issued:	Basis	Fair Value $
25 million ordinary shares	4.62 cents per share, being Sultan's weighted average share price at 10 July 2007	1,155,000
25 million options exercisable at 2 cents each prior to 31 December 2010	Black Scholes methodology	1,060,000
		2,215,000

9 Goodwill

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Amount recognised from business combination occurring during the period	2,215,000	2,215,000	-	-
Impairment loss	(2,215,000)	(2,215,000)	-	-
Carrying value at year end	-	-	-	-

During 2008, the consolidated entity assessed the recoverable amount of goodwill and determined that goodwill associated with Isabella Minerals Pty Ltd was impaired by $2,215,000. The recoverable amount of the uranium exploration operation was assessed by reference to the cash generating unit's value in use.

10 Income Tax Expense & Deferred Tax

(a) Income Tax Expense

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Under (over) provided in prior years	-	-	-	-
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

10 Income Tax Expense & Deferred Tax (continued)

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Loss from continuing operations before income tax expense	(1,836,288)	(5,772,906)	(1,836,288)	(5,772,906)
Tax at the Australian tax rate of 30% (2008 30%)	(550,886)	(1,731,872)	(550,886)	(1,731,872)
Tax effect of amounts which are not deductable (allowable) in calculating taxable income:				
Add back:				
Share Based Payments	3,240	76,200	3,240	76,200
Creditors & Accruals	367	(68,830)	367	(68,830)
Annual Leave	566	5,441	566	5,441
Asset Impairment	147,683	664,500	147,683	664,500
Unrealised exchange loss	20,775	-	20,775	-
Allowable deductions	(30,069)	(25,243)	(30,069)	(25,243)
Exploration	-	(329,622)	-	(329,622)
Tax losses not recognised	408, 324	1,409,426	408,324	1,409,426
Income tax expense	-	-	-	-

(c) Unrecognised Deferred Tax Assets

	Consolidated		Company	
The following deferred tax assets have not been brought to account:	2009	2008	2009	2008
	$	$	$	$
Tax losses - revenue	1,892,299	1,483,974	1,892,299	1,483,974
Temporary differences - exploration	(971,172)	(971,172)	(971,172)	(971,172)
Temporary differences - other	977,123	701,491	977,123	701,491
	1,898,250	1,214,293	1,898,250	1,214,293

Deferred tax assts have not been recognised in respect of the following:				
Exploration	(971,172)	(971,172)	(971,172)	(971,172)
Advance	147,683	-	147,683	-
Investments	694,500	694,500	694,500	694,500
Trade & other payables	28,969	6,991	28,969	6,991
Section 40-880 expenses	105,971	-	105,971	-
Tax loss carry-forward	1,892,299	1,483,974	1,892,299	1,483,974
	1,898,250	**1,214,293**	**1,898,250**	**1,214,293**

Deferred tax assets and liabilities have not been recognised as it is not probable that taxable income will be available against which the deferred tax deductions can be utilised.

11 Current Assets – Cash and Cash Equivalents

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank	**884,604**	**1,845,259**	**884,604**	**1,845,259**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

12 Current Assets – Trade and Other Receivables

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
GST receivable	159,556	30,833	159,556	30,833
Prepayments	18,744	-	18,744	-
Receivable due from director	1,343	-	1,343	-
	179,643	**30,833**	**179,643**	**30,833**

13 Current Assets – Advance

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Advance	561,528	-	561,528	-
Unrealised exchange loss	(69,250)	-	(69,250)	-
Impairment	(492,278)	-	(492,278)	-
Advance	-	-	-	-

On 1 April 2009 the Company entered into a formal agreement to engage consultants to procure mining permits in West Africa. As part of that agreement (as varied), the Company advanced the consultant a total of US$500,000 (US$400,000 and US$100,000 pre- and post-year end respectively) as an advance against the fee of US$700,000 payable to the consultant on procurement of the mining permits.

The consultant has been unable to perform the services within the term and the advance is repayable to the Company without deduction. The Company has taken out a second mortgage on the residence of the principals of the consultant. However there is no reasonable certainty that there would be equity in the property on realisation.

As the advance was made, and is repayable, in USD and the exchange rate has strengthened subsequent to the advancement made in the financial year, an unrealised exchange loss has occurred. The balance of the advance has been fully impaired as there is no reasonable certainty that the advance can and will be repaid.

Had the mining permits been obtained the advance made would have been expensed through profit or loss.

14 Current Assets – Other financial assets

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Security Deposit for Visa Card	**26,729**	**25,348**	**26,729**	**25,348**

15 Non- Current Assets – Trade and Other Receivables

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Security Deposits / Tenement Bonds	**91,345**	**91,345**	**91,345**	**91,345**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

16 Non-Current Assets – Plant & Equipment

Consolidated and Company	**Computer Equipment**	**Office Furniture and fittings**	**Total**
	$	$	$
Year ended 30 June 2009			
Opening net book amount	**18,970**	**21,824**	**40,794**
Additions – at cost	1,980	1,454	3,434
Depreciation charge	(8,296)	(6,294)	(14,590)
Closing net book amount	**12,654**	**16,984**	**29,638**
As at 30 June 2009			
Cost	29,080	32,594	61,674
Accumulated depreciation	(16,426)	(15,610)	(32,036)
Net book amount	**12,654**	**16,984**	**29,638**

	Computer Equipment	**Office Furniture and fittings**	**Total**
	$	$	$
Year ended 30 June 2008			
Opening net book amount	25,068	17,597	42,665
Additions – at cost	2,032	13,544	15,576
Depreciation charge	(8,130)	(9,317)	(17,447)
Closing net book amount	**18,970**	**21,824**	**40,794**
As at 30 June 2008			
Cost	27,100	31,141	58,241
Accumulated depreciation	(8,130)	(9,317)	(17,447)
Net book amount	**18,970**	**21,824**	**40,794**

17 Acquisition of mining tenements

No mining tenements were acquired during the year.

During 2008 the Company:

1. Acquired Exploration Licences EL2934, EL6081 and EL6082 (Peelwood zinc – copper project) granted in New South Wales, on 10 August 2007. The consideration was $1,000,000 cash plus 30,000,000 ordinary shares and 15,000,000 2 cent options expiring 31 December 2010;
2. Acquired Exploration Licence Application ELA 2980 on 5 November 2007, being tenements adjoining the Peelwood zinc – copper project. The consideration was 5,000,000 ordinary shares and $20,000 in cash; and
3. Acquired EL6767 from Iron Bark Zinc Pty Ltd on 30 November 2007. The consideration was 5,000,000 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

17 Acquisition of mining tenements (continued)

The methodology used to calculate the fair value of the cost of the acquisition is set out as follows:

Acquisitions:	**Securities Issued**	**Valuation Methodology**
EL2934		Shares at 3.88 cents per share
	30,000,000 shares and	Options – black scholes
EL6081	15,000,000 options	methodology
	exercisable at 2 cents prior to	
EL6082	31/12/2010	
ELA 2980	5,000,000 shares	4.76 cents per share
EL6767	5,000,000 shares	3.99 cents per share

	Shares	**Options**	**Cash**	**Stamp Duty**	**Total Fair Value**
Tenement:	**$**	**$**	**$**	**$**	**$**
EL2934	388,000	179,000	333,333	21,747	922,080
EL6081	388,000	179,000	333,333	21,747	922,080
EL6082	388,000	179,000	333,334	21,746	922,080
ELA 2980	238,000	-	20,000	8,010	266,010
EL6767	199,500	-	-	5,490	204,990
Total	**$1,601,500**	**$537,000**	**$1,020,000**	**$78,740**	**$3,237,240**

	Consolidated		**Company**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
18 Exploration and evaluation expenditure				
Opening balance	3,237,240	-	3,237,240	-
Additions	-	3,237,240	-	3,237,240
Closing Balance	**3,237,240**	**3,237,240**	**3,237,240**	**3,237,240**

The recoverability of the carrying amount is dependent on the successful development and commercial exploitation or sale of the areas of interest. At 30 June 2009 the projects had reached a stage where preliminary mine and plant designs had been commenced as part of progression towards completion of a bankable feasibility study.

	Consolidated		**Company**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
19 Current Liabilities – Trade and Other Payables				
Trade payables	207,878	164,000	207,878	164,000
Other payables	26,707	12,359	26,707	12,359
Total trade and other payables	**234,585**	**176,359**	**234,585**	**176,359**

These amounts generally arise from transactions within the usual operating activities of the Company.

	Consolidated		**Company**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
20 Current Liabilities – Employee Provisions				
Annual Leave	**25,188**	**23,303**	**25,188**	**23,303**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

21 Issued Capital

	Consolidated and Company			
	2009	2009	2008	2008
(a) Share Capital	**Shares**	**$**	**Shares**	**$**
Ordinary shares fully paid	738,537,435	38,442,800	504,193,775	36,566,043

(b) Movement in Ordinary Share Capital

Date	Details	Number of shares	Issue price	Amount $
Year ended 30 June 2008				
1/7/2007	Opening balance	344,195,312		30,441,412
6/7/2007	Placement	13,016,667	$0.0015	195,250
10/7/2007	Part-Consideration for purchase of Isabella Mines Pty Ltd	25,000,000	$0.0462	1,155,000
2/8/2007	Placement	57,331,796	$0.0420	2,407,935
9/8/2007	Options Exercised	300,000	$0.0100	3,000
10/8/2007	Part-Consideration for purchase of the Peelwood Zinc-Copper Project	30,000,000	$0.0388	1,164,000
10/8/2007	Placement	4,500,000	$0.0420	189,000
24/8/2007	Options Exercised	4,700,000	$0.0100	47,000
24/8/2007	Share Purchase Plan	1,650,000	$0.0420	69,300
4/9/2007	Options Exercised	1,000,000	$0.0100	10,000
5/11/2007	Part-Consideration for purchase of ELA 2980	5,000,000	$0.0476	238,000
5/11/2007	Consideration for consultancy services	1,000,000	$0.0476	47,600
5/11/2007	Remuneration	11,000,000	$0.0476	523,600
14/11/207	Options Exercised	500,000	$0.0100	5,000
30/11/2007	Consideration for purchase of EL6767	5,000,000	$0.0399	199,500
	Transfer from Share Premium Reserve			413
	Capital Raising Costs			(129,967)
30/6/2008	**Balance**	**504,193,775**		**36,566,043**
Year ended 30 June 2009				
1/7/2008	Opening balance	504,193,775		36,566,043
2/7/2008	Placement	41,425,000	$0.0240	994,200
3/12/2008	Entitlements Issue	49,518,660	$0.0050	247,594
20/3/2009	Entitlements Shortfall Issue	48,000,000	$0.0050	240,000
4/6/2009	Placement	95,400,000	$0.0050	477,000
	Capital Raising Costs			(82,037)
30/6/2009	**Balance**	**738,537,435**		**$38,442,800**

(c) Share application proceeds

	2009 $	2008 $
Opening Balance	922,200	-
Proceeds from unissued shares pursuant to a share placement.	-	922,200
Shares Issued	(922,200)	-
Balance	**-**	**922,200**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

21 Issued Capital (continued)

(d) Movement in Escrowed Shares

Date	Details		Number of Shares	Issue price	Amount $
Year ended 30 June 2008					
1/7/2007	Opening balance		-	-	
10/8/2007	Part-Consideration for purchase of the Peelwood Zinc-Copper Project	(i)	30,000,000	$0.0388	1,164,000
5/11/2007	Part-Consideration for employment service	(ii)	1,000,000	$0.0476	47,600
5/11/2007	Part-Consideration for employment service	(iii)	7,000,000	$0.0476	333,200
2/11/2007	Part-Consideration for corporate advisory services	(iv)	3,000,000	$0.0476	142,800
30/11/2007	Consideration for purchase of EL6767	(v)	5,000,000	$0.0399	199,500
10/06/2008	Released from escrow	(ii)	(1,000,000)		(47,600)
30/6/2008	**Balance**		**45,000,000**		**1,839,500**
Year ended 30 June 2009					
30/6/2008	Opening Balance		45,000,000		1,839,500
10/8/2008	Released from escrow	(i)	(30,000,000)		(1,164,000)
30/10/2008	Released from escrow	(iv)	(3,000,000)		(142,800)
30/11/2008	Released from escrow	(v)	(5,000,000)		(199,500)
30/6/2009	**Balance**		**7,000,000**		**333,200**

(i) Goldrim Investments Pty Ltd 30,000,000 shares – escrowed until 10 August 2008

(ii) Dean Gathercole 1,000,000 shares - escrowed pending completion of 1 year continuous employment with the Company - released June 2008

(iii) Kevin Alexander 7,000,000 shares - escrowed pending completion of 2 years continuous employment with the Company that expired on 23 July 2009

(iv) Trevor Benson 3,000,000 shares – escrowed until and released on 30 October 2008

(v) Iron Bark Zinc Pty Ltd 5,000,000 shares – escrowed until and released 30 November 2008

22 Options, Reserves and Accumulated Losses

(a) Options	**Company 2009 Options**	**Company 2009 $**	**Company 2008 Options**	**Company 2008 $**
Options exercisable at 1 cent expiring 31 December 2009	23,500,000	587	23,500,000	587
Options exercisable at 2 cents expiring 31 December 2010	49,000,000	1,979,500	49,000,000	1,979,500
Options exercisable at 5 cents expiring 30 June 2009	-	-	3,000,000	109,500
Options exercisable at 5 cents expiring 31 December 2009	3,000,000	117,300	3,000,000	117,300
Options exercisable at 10 cents expiring 30 June 2009	-	-	3,000,000	96,900
Balance	**75,500,000**	**2,097,387**	**81,500,000**	**2,303,787**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

22 Options, Reserves and Accumulated Losses (continued)

(a) Options (continued)

Other than the exercise date and price, the 75,500,000 options have the same following terms:

1) each option entitles the holder, when exercised, to one (1) share;
2) subject to the Corporations Act 2001, the Constitution and the ASX Listing Rules, the options are fully transferable;
3) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
4) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The Company does not intend to seek quotation of the options;
5) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of options to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
6) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules; and
7) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rules.

(a) Reserves	**Consolidated 2009**	**Consolidated 2008**	**Company 2009**	**Company 2008**
	$	**$**	**$**	**$**
Option Premium Reserve	587	587	587	587
Share Based Payments Reserve	2,096,800	2,303,200	2,096,800	2,303,200
	2,097,387	**2,303,787**	**2,097,387**	**2,303,787**
Movements in Option Premium Reserve				
Opening Balance	587	1,000	587	1,000
Options Exercised	-	(413)	-	(413)
Balance	**587**	**587**	**587**	**587**
Movements in Share Based Payments Reserve				
Opening Balance	2,303,200	-	2,303,200	-
Options issued as consideration	-	2,303,200	-	2,303,200
Options expired	(206,400)	-	(206,400)	-
Balance	**2,096,800**	**2,303,200**	**2,096,800**	**2,303,200**

(c) Nature and Purpose of Reserves

The option premium reserve arises pursuant to an issue of options pursuant to an issue, placement or entitlement.

The share based payments reserve arises from an issue of options as consideration for a service or an acquisition transaction.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

22 Options, Reserves and Accumulated Losses (continued)

(d) Movement in Options

(i) Options Premium Reserve

Date	Details	Number of options	Amount $
Year ended 30 June 2008			
1/7/2007	Opening balance	30,000,000	1,000
9/8/2007	Exercised	(300,000)	
24/8/2007	Exercised	(4,700,000)	
4/9/2007	Exercised	(1,000,000)	
14/11/2007	Exercised	(500,000)	
	Transfer to Contributed Equity	-	(413)
30/6/2008	**Balance**	**23,500,000**	**587**
Year ended 30 June 2009			
1/7/2008	Opening balance	23,500.000	587
30/6/2009	**Balance**	**23,500,000**	**587**

The above options are exercisable 1 cent each at any time on or before 31 December 2009.

(ii) Share Based Premium Reserve

Date	Details		Number of options	Amount $
Year ended 30 June 2008				
1/7/2007	Opening balance		-	-
10/7/2007	Part-Consideration for purchase of Isabella Mines Pty Ltd	(i)	25,000,000	1,060,000
10/8/2007	Part-Consideration for purchase of the Peelwood Project	(i)	15,000,000	537,000
5/11/2007	Executive Remuneration	(i)	9,000,000	382,500
5/11/2007	Part-Consideration for corporate advisory services	(ii)	3,000,000	109,500
5/11/2007	Part-Consideration for corporate advisory services	(iii)	3,000,000	96,900
5/11/2007	Director Remuneration	(iv)	3,000,000	117,300
30/6/2008	**Balance**		**58,000,000**	**2,303,200**
Year ended 30 June 2009				
1/7/2008	Opening Balance		58,000,000	2,303,200
30/06/2009	Options not exercised by expiry date		(6,000,000)	(206,400)
30/06/2009	**Balance**		**52,000,000**	**2,096,800**

(i) The options issued on 10 July 2007, 10 August 2007 and 5 November 2007 are exercisable at 2 cents on or before 31 December 2010.

(ii) The options issued on 5 November 2007 are exercisable at 5 cents on or before 30 June 2009 were not exercised and have been cancelled.

(iii) The options issued on 5 November 2007 exercisable at 10 cents on or before 30 June 2009 were not exercised and have been cancelled.

(iv) The options issued on 5 November 2007 are exercisable at 5 cents on or before 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

22 Options, Reserves and Accumulated Losses (continued)

(e) Accumulated Losses	**Consolidated 2009**	**Consolidated 2008**	**Company 2009**	**Company 2008**
Movements in accumulated losses were as follows:	**$**	**$**	**$**	**$**
Balance at the beginning of the year	(34,720,873)	(28,947,967)	(34,720,873)	(28,947,967)
Net loss for the year	(1,836,288)	(5,772,906)	(1,836,288)	(5,772,906)
Options expired	206,400	-	206,400	-
Balance	**(36,350,761)**	**(34,720,873)**	**(36,350,761)**	**(34,720,873)**

23 Dividends

There were no dividends recommended or paid during the financial year.

24 Related Party Disclosures

(a) Equity interest in related party subsidiary

The percentage of ordinary shares held in the subsidiary, Isabella Minerals Pty Ltd, is disclosed in Note 8.

(b) Key management personnel remuneration	**Consolidated 2009**	**Consolidated 2008**	**Company 2009**	**Company 2008**
	$	**$**	**$**	**$**
Short-term benefits	472,936	424,606	472,936	424,606
Post-employment benefits	15,770	32,363	15,770	32,363
Security based payments	-	975,800	-	975,800
	488,706	**1,432,769**	**488,706**	**1,432,769**

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report.

(c) Key management personnel equity holdings

(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director and executive of Sultan Corporation Limited, including their personally related parties, are set out below:

2009 **Name**	**Balance at the start of the year**	**Granted during the year**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable at year end**
Directors					
Derek Lenartowicz	25,000,000	-	-	25,000,000	25,000,000
Trevor Benson	3,000,000	-	(3,000,000)	-	-
Ian Hobson	1,000,000		(1,000,000)	-	-
Executive					
Ian Hobson	-	-	1,000,000	1,000,000	1,000,000
Kevin Alexander	9,000,000	-	-	9,000,000	9,000,000
	38,000,000	**-**	**(3,000,000)**	**35,000,000**	**35,000,000**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

24 Related Party Disclosures

(c) Key management personnel equity holdings (continued)

2008 **Name**	**Balance at the start of the year**	**Granted during the year**		**Exercised during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
Directors						
Derek Lenartowicz	-	25,000,000	(i)	-	25,000,000	25,000,000
Trevor Benson	-	3,000,000	(ii)	-	3,000,000	3,000,000
Ian Hobson	1,000,000			-	1,000,000	1,000,000
Executive						
Kevin Alexander	-	9,000,000	(iii)	-	9,000,000	9,000,000
	1,000,000	**37,000,000**		**-**	**38,000,000**	**38,000,000**

(i) Issued as part-consideration for the purchase of Isabella Mines Pty Ltd
(ii) Issued as remuneration
(iii) Issued as remuneration

No options are vested and un-exercisable at the end of the year.

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each director and executive of Sultan Corporation Limited, including their personally related parties, are set out below:

2009	**Balance at the start of the year**	**Received on the exercise of options**	**Granted as compensation during the year**	**Other changes during the year**	**Balance at the end of the year**
Director					
Trevor Benson	3,000,000	-	-	(3,000,000)	-
Derek Lenartowicz	33,016,669	-	-	26,395,862	59,412,531
Jimmy Lee	-	-	-	1,830,952	1,830,952
Milos Bosnjakovic	-			66,638,095	66,638,095
Ian Hobson	5,000,000	-	-	(5,000,000)	-
Executive					
Ian Hobson	-	-	-	5,000,000	5,000,000
Kevin Alexander	7,000,000	-	-	-	7,000,000
	48,016,669	**-**	**-**	**91,864,909**	**139,881,578**

2008	**Balance at the start of the year**	**Received on the exercise of options**	**Granted as compensation during the year**		**Other changes during the year**	**Balance at the end of the year**
Director						
Trevor Benson	-	-	3,000,000	(i)	-	3,000,000
Ian Hobson	5,000,000	-			-	5,000,000
Derek Lenartowicz	-	-	33,016,669	(ii)	-	33,016,669
Executive						
Kevin Alexander	-	-	7,000,000		-	7,000,000
	5,000,000	**-**	**43,016,669**		**-**	**48,016,669**

(i) Issued as remuneration
(ii) 25,000,000 share issued as part-consideration for the purchase of Isabella Mines Pty Ltd and 8,016,669 shares taken up in placements and offers

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

24 Related Party Disclosures (continued)

(d) Other transactions with key management personnel

	Consolidated and Company 2009 $	Consolidated and Company 2008 $
Derek Lenartowicz is advanced foreign currency when travelling overseas to meet travel and accommodation expenses. The unexpended receivable at the reporting date is:	1,343	-
The following transactions recognised as an expense/(income) occurred with a related party for supply of services on normal terms and conditions at market rates:		
MB Holdings Pty Ltd, a company related to Jimmy Lee, provided project consultancy services (this amount was outstanding at the reporting date)	33,440	-
Syngas Limited, a company of which Derek Lenartowicz, is a director and shareholder, paid rental for head office space sub-let to Syngas Limited	(8,654)	(10,912)

Details of the acquisition of the subsidiary, Isabella Minerals Pty Ltd, from Derek Lenartowicz, a director of the Company, is disclosed in Note 8.

25 Remuneration of Auditors	**Consolidated 2009 $**	**Consolidated 2008 $**	**Company 2009 $**	**Company 2008 $**
During the year the following fees were paid or payable for services provided by the auditor of the Company:				
Audit Services				
Audit of financial report and other audit work under the *Corporations Act 2001*	32,375	27,500	32,375	27,500
Total remuneration for audit services	**32,375**	**27,500**	**32,375**	**27,500**

It is the Company's policy to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where the auditor is awarded assignments on a competitive basis. It is the Company's policy to seek competitive tenders for all major material consulting projects.

26 Commitments

(a) There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability.

(b) Lease Commitments	**Consolidated 2009 $**	**Consolidated 2008 $**	**Company 2009 $**	**Company 2008 $**
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within 1 year	73,017	73,017	73,017	73,017
Later than one year but not later than five years	-	73,017	-	73,017
Later than five years	-	-	-	-
	73,017	**146,034**	**73,017**	**146,034**
Representing:				
Non-cancellable operating leases	**73,017**	**146,034**	**73,017**	**146,034**

The Company leases premises at 350 Hay Street Subiaco under a non-cancellable operating lease for a 3 year term 1 July 2007 to 20 June 2010, with a 2 year option to extend.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

26 Commitments (continued)

(c) Tenement Expenditure Commitments	**Consolidated 2009 $**	**Consolidated 2008 $**	**Company 2009 $**	**Company 2008 $**
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within 1 year	207,500	260,000	207,500	260,000
Later than one year but not later than five years	20,000	219,500	20,000	219,500
Later than five years		-		-
	227,500	**479,500**	**227,500**	**479,500**

27 Events Occurring After the Balance Sheet Date

The agreement with the consultant to procure mining permits in West Africa was varied to extend the term a further 60 days and increase the deposit by a further US$100,000 payable in two US$50,000 instalments, the first on registration of the collateral security mortgage, and the second on the Company being satisfied in its absolute discretion with a progress report from Argonaut on the procurement of the mining permits.

The instalments have been paid. However, the mining permits were not procured within the term that ended on 14 September 2009 and the advance is repayable from that date.

Other than this matter, since 30 June 2009 there has been no other matter or circumstance that has arisen, (other than that disclosed above), that has significantly affected, or may significantly affect:

(i) the Company's operations in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the Company's state of affairs in future financial years.

28 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities	**Consolidated 2009 $**	**Consolidated 2008 $**	**Company 2009 $**	**Company 2008 $**
Loss for the year:	(1,836,288)	(5,772,906)	(1,836,288)	(5,772,906)
Add back:				
Share based payments	10,800	1,277,400	10,800	1,277,400
Depreciation	14,590	17,447	14,590	17,447
Impairment of mining tenement	-	2,215,000		2,215,000
Impairment of advance	492,278	-	492,278	-
Unrealised foreign currency loss	69,520	-	69,520	-
Changes in operating assets and liabilities:				
(Increase) / Decrease trade and other receivables - current	(131,445)	2,778	(131,445)	2,778
(Increase) in prepayments	(18,744)	-	(18,744)	-
Increase in trade and other payables	55,151	65,746	55,151	65,746
Increase in employee provisions	1,885	18,138	1,885	18,138
Net cash outflow from operating activities	**(1,342,253)**	**(2,176,398)**	**(1,342,253)**	**(2,176,398)**

29 Loss Per Share

(a) Basic and Diluted Loss Per Share	**Company 2009 Cents**	**Company 2008 Cents**
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.31)	(1.18)
	(0.31)	**(1.18)**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

29 Loss Per Share (continued)

(b) Reconciliation of Loss used in Calculating Loss Per Share	**Company 2009 $**	**Company 2008 $**
Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,836,288)	(5,772,906)
Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,836,288)	(5,772,906)

(d) Weighted Average Number of Shares Used as the Denominator	**Company 2009 Number**	**Company 2008 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	590,025,426	485,258,704
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	590,025,426	485,258,704

(e) Calculation of Weighted Average Used as the Denominator

Balance and Issue dates	Days	Movement	Closing balance	Weighted Average
1/07/2007	5		344,195,312	4,715,009
6/07/2007	4	13,016,667	357,211,979	3,914,652
10/07/2007	23	25,000,000	382,211,979	24,084,590
2/08/2007	7	57,331,796	439,543,775	8,429,607
9/08/2007	1	300,000	439,843,775	1,205,051
10/08/2007	14	34,500,000	474,343,775	18,194,008
24/08/2007	11	6,350,000	480,693,775	14,486,662
4/09/2007	62	1,000,000	481,693,775	18,821,956
5/11/2007	9	17,000,000	498,693,775	12,296,559
14/11/2007	16	500,000	499,193,775	21,882,467
30/11/2007	213	5,000,000	504,193,775	294,228,148
30/07/2008			504,193,775	
	365			**485,258,704**
1/07/2008	2		504,193,775	
2/07/2008	182	41,425,000	545,618,775	2,762,706
31/12/2009	80	49,518,660	595,137,435	272,061,965
20/03/2009	75	48,000,000	643,137,435	130,441,082
4/06/2009	26	95,400,000	738,537,435	132,151,528
30/06/2009			738,537,435	52,608,146
	365			**590,025,426**

(e) Information Concerning the Classification of Securities

Options

Options are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

30 Contingencies

There are no contingencies at the reporting date.

DIRECTORS' DECLARATION

In the directors' opinion:

1 the financial statements and notes set out on pages 19 to 47 are in accordance with the *Corporations Act 2001*, including:

(a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2009 and of their performance for the financial year ended on that date; and

(c) complying with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board disclosed in Note 1; and

2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3 the audited remuneration disclosures set out on pages 7 to 11 of the directors' report comply with accounting standards AASB 124 *Related Party Disclosures* and section 300A of the *Corporations Act 2001*.

The directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have given the declarations required by Section 295(A) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Derek Lenartowicz
Director

Perth
25 September 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SULTAN CORPORATION LIMITED

Report on the financial report

We have audited the accompanying financial report of Sultan Corporation Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

ORD PARTNERS
CHARTERED ACCOUNTANTS

Ian K Macpherson CA

Robert W Parker CA

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Auditor's opinion

In our opinion:

(a) the financial report of Sultan Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material uncertainty regarding going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters referred to in Note 1 "Going Concern" to the financial statements, the ability of the Company to continue as a going concern and meet its planned and committed expenditures including exploration expenditures is dependent upon the Company raising further working capital. In the event that the Company cannot raise further working capital, there is significant uncertainty whether the Company will be able to pay its debts as and when they become due and payable. Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets nor to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Report on the remuneration report

We have audited the remuneration report consisting of sections 1 to 4 in the directors' report of the directors' report for the year ended 30 June 2009. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporation Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Sultan Corporation Limited for the year ended 30 June 2009, that are contained in sections 1 to 4 of the directors' report complies with Section 300A of the *Corporation Act 2001*.

ORD PARTNERS
Chartered Accountants

Robert Parker
Partner

Perth

25 September 2009

ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 23 September 2009.

(a) Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder:

	Number held	Percentage of quoted equity securities
MBL Constructions Pty Ltd/ M Bosnjakovic	66,638,095	9.02%
Attelocih Holdings Ltd	63,620,000	8.61%
D Lenartowicz	59,412,531	8.04%
Goldrim Investments Pty Ltd	38,125,000	5.16%

(b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

(c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	Percentage of quoted equity securities
1 – 1,000	275,639	0.04
1,001 – 5,000	779,608	0.11
5,001 – 10,000	741,319	0.10
10,001 – 100,000	34,822,188	4.72
100,001 and over	701,918,681	95.04
Total	**738,537,435**	**100.00**

There were 1,641 holders of less than a marketable parcel of ordinary shares.

ASX Additional Information

(d) Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of Issued Shares
Attelocih Holdings Ltd	63,620,000	8.61%
MBL Constructions Pty Ltd	56,400,000	7.64%
Goldrim Investments Pty Ltd	38,125,000	5.16%
D Lenartowicz <Lenlee Superannuation Fund>	32,016,669	4.34%
D Lenartowicz	25,000,000	3.39%
Elliott Holdings Pty Ltd	12,274,770	1.66%
BO Stephens & EJ Stephens	12,000,000	1.62%
K Alexander	11,583,333	1.57%
Katarina Corporation Ltd	10,300,000	1.39%
The Stephens Group Pty Ltd	10,000,000	1.35%
Turnquest Investments Ltd	8,842,484	1.20%
M Bosnnjakovic	6,667,667	0.90%
V Brizzi & RL Brizzi	6,101,472	0.83%
S Balenovic	6,000,000	0.82%
J Cannizzaro	5,800,000	0.79%
HSBC Custody Nominees (Australia) Limited	5,602,446	0.76%
Churchill Services Pty Ltd	5,000,000	0.68%
Ironbark Zinc Pty Ltd	5,000,000	0.68%
AMK Investments (WA) Pty Ltd	4,900,000	0.66%
Arras Pty Ltd	4,000,000	0.54%
Flexiplan Management Pty Ltd	3,700,000	0.50%
	332,932,841	**45.08%**

Unquoted equity securities

	Number on Issue	Number of Holders
Options – exercisable at 1 cent	23,500,000	6
Options – exercisable at 2 cents	49,000,000	3
Options – exercisable at 5 cents	3,000,000	1

Substantial option holders are:

	Number Held
Options – exercisable at 1 cent	
Tisia Nominees Pty Ltd	10,000,000
Elliott Holdings Pty Ltd	7,000,000
Options – exercisable at 2 cents	
D Lenartowicz	25,000,000
Goldrim Investments Pty Ltd	15,000,000
Options – exercisable at 5 cents	
T Benson	3,000,000

ASX Additional Information

(e) Interests in Tenements

	Description	Status	Interest
EL 2934	Peelwood	Granted	100%
EL 6081	Single Tree Hill	Granted	100%
EL 6082	Junction Point	Granted	100%
EL 6767	Elsieonora	Granted	100%
EL 6831	Limerick	Granted	100%
EL 6955	Mount Costigan	Granted	100%
EL 7002	Isabella	Granted	100%