

Molybdenum edges into Sultan's plans

B.C. TUNGSTEN MINE

By BRIAN TRUSCOTT

VANCOUVER • Lead, zinc, tungsten and, more recently, molybdenum — these are the metals Sultan Minerals Inc. is chasing in southern British Columbia.

"We're focused on advanced exploration and development, and our flagship project is the Jersey-Emerald property, which has three styles of mineral deposits located around the historic Jersey and Emerald mines," said Art Troup, Sultan's president and chief executive since 1997.

Sultan shares closed down 2¢ at 32.5¢ on the TSX Venture Exchange yesterday.

Placer Dome — now owned by Barrick Gold Corp. — shut those two operations back in 1973. At the time, Emerald had been the country's largest tungsten mine, while its Jersey counterpart was B.C.'s second-largest lead/zinc producer. As usual, metal prices proved to be the mines' Achilles heel.

Sultan acquired the mothballed mines in 1993, then proceeded to build a larger land package around the mines — a package that's now more than 90 square kilometres.

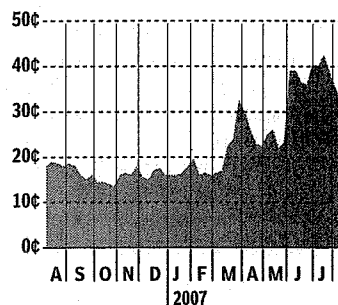
"With prices for tungsten, lead and zinc now about 10 times higher than they were in 1973, we feel we can put these deposits back into production," Mr. Troup said.

Column 1

SULTAN MINERALS

SUL/TSX-VEN-

Aug. 9 close: 32.5¢, -2¢
Vol. 209,710



SOURCE: FP INFOMART NATIONAL POST

place last winter and Sultan is about to start a 20,000-foot drill program at surface.

At this stage, it's important to remember Sultan isn't all about tungsten, given the various types of ores found on the property, including lead and zinc.

"The property is like a layer cake, with three layers of mineralization," Mr. Troup said.

Basically, lead and zinc are found near the surface, meaning Sultan often drills through that to get at some of the tungsten deposits at depth, meaning concurrent mineralization tests on lead and zinc are possible.

"But as we've been exploring these deposits, there's also a molybdenum ore body that lies below the tungsten," Mr. Troup said. "Over the last two years, we've intersected that with 28 drill holes and many of these

Column 2

Column 1
Cont'd

Column 2
Cont'd

On the tungsten side of the equation, an estimate shows 2.5 million tonnes of ore averaging 0.37% tungsten concentrate. There's also an additional 1.2 million tonnes in inferred resource averaging much the same grade as its measured and indicated resource.

"The [study] shows that with some infill drilling, we'll be able to pull much of that inferred resource into the measured and indicated category," he said.

Initial estimates show that Jersey-Emerald could support a 1,000-tonne-a-day tungsten operation. That's not quite good enough for Sultan, Mr. Troup said.

"We'd like to bring a mine into production at a rate of 2,000 tonnes a day, but in order to justify that we would need to prove up another 2.5 million tonnes of tungsten ore at about the same grade," he said. "This is our focus for this year: to prove up the tonnage, which we think we can do and something we'd like to get done this year."

The property has five key tungsten ore bodies, not all of which have resource estimates. There are also other areas that historically fell below Placer Dome's cut-off grade when the mines were originally in production.

"Those are the areas we're looking at right now," Mr. Troup said. "And we're now drilling around the [defined] ore bodies, looking for extensions to the higher graded areas."

Underground drilling took

holes have had just spectacular intersections over wide widths. Our current drill program will also be looking to intersect that [molybdenum] deposit."

All of this work is being carried out on what was a well-developed brownfield site: two mothballed mines just 15 minutes outside the town of Salmo, with power and water lines crossing the property. While the area's infrastructure is first-rate, the two mines also have more than 10 miles of underground hauling roads in place.

"Our short-term goal is to put the tungsten mine into production as soon as possible," he said. "This would also give us additional cash flow."

Capital costs for reopening a mine won't be cheap. Sultan would need to raise \$120-million if new equipment is used — or about half that amount if used equipment is employed. "We could bank-finance at least 50% of that, so it's something we think we can do ourselves," he said.

As for the molybdenum side of the equation, Sultan would have to consider a joint venture with a major mining company.

"If the [molybdenum] deposit proves to be as big as the present results indicate, it would be world-class and we'd have to look at finding a partner who could raise \$500-million to \$600-million to put a 20,000-tonne- to 30,000-tonne-a-day mine into operation," he said.

Dow Jones

General Disclaimer

In this web site "Sultan", "we", "us", "our", and the "Company" all refer to Sultan Minerals Inc. Sultan has taken all reasonable care in producing and publishing information contained on this web site and we endeavor to review such information regularly. Material on this web site may still contain technical or other inaccuracies, omissions, or typographical errors, for which Sultan assumes no responsibility. Sultan does not warrant or make any representations regarding the use, validity, accuracy, completeness and reliability of any claims, statements or information on this web site. Under no circumstances, including, but not limited to, negligence, shall Sultan be liable for any direct, indirect, special, incidental, consequential, or other damages, including but not limited to, loss of programs, loss of data, loss of use of computer or other systems, or loss of profits, whether or not advised of the possibility of damage, arising from your use, or inability to use, the material on this web site. This information is not a substitute for independent professional advice before making any investment decisions. Furthermore, you may not modify or reproduce in any form, electronic or otherwise, any information on this web site, except for personal use unless you have obtained our express permission.

Third Party Links

All links or references to other web sites are provided merely as a convenience to the user. Sultan has no control over the linked or referenced web sites, makes no representation or warranty regarding the completeness, accuracy or currency of the information located on the linked or referenced web sites and does not endorse the linked or referenced web sites or their content.

Forward-Looking Statements

This web site contains certain statements which may constitute forward-looking statements, such as estimates and statements that describe our future plans, objectives or goals, including words to the effect that we expect or management expects a stated condition or result to occur.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, resources, results of exploration, reclamation and other post-closure costs, capital costs and mine production costs could differ materially from those currently anticipated in such statements by reason of factors such as the productivity of our resource properties, changes in general economic conditions and conditions in the financial markets, changes in demand and prices for minerals, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments in domestic and foreign areas in which we operate, technological and operational difficulties encountered in connection with our exploration activities, labour relations matters, costs and changing foreign exchange rates. This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements.

Further information regarding these and other factors is included in our filings with the Canadian provincial securities regulatory authorities (which may be viewed at www.sedar.com).

Use of Information

Any information communicated to Sultan through this web site becomes Sultan's exclusive property. Sultan shall be entitled to use any such information for any purpose without restriction or compensation to any person. Such information provided by the user shall be deemed to be non-confidential.

Cautionary Note to US Investors

Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources. This Registration Statement may use the terms "measured resources" and "indicated resources." We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the U.S.

Securities and Exchange Commission does not recognize them. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.**

Cautionary Note to U.S. Investors concerning estimates of Inferred Resources.

This Registration Statement may use the terms "inferred resources." We advise U.S. investors that while such term is recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.**