

# Sultan Minerals Expands lead/zinc Exploration on Jersey Projects, Makes New Acquisitions

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**SULTAN  
MINERALS  
INC.**



## Arthur G. Troup President & CEO

Two of BC's largest past producing lead and zinc mines are held by one junior explorer. Not only has Sultan Minerals (TSXV:SUL) expanded its lead-zinc holdings in southeastern British Columbia, but also its gold prospects. During a recent geophysical survey, the exploration crew on the Kena Gold project discovered a new copper-gold anomaly that has been described as "a superb stand-alone exploration target." President and CEO Art Troup explains Sultan's improving prospects.

**Resource Intelligence:** Lead and zinc are hot commodities right now. In fact the prices of both rose more in 2009 than any other metal. You're exploring on one of the biggest lead-zinc past producers in B.C.'s history and you have a lot of territory to cover here, because you've just acquired more prospective property nearby. Add to that the fact that your main deposit has resources of tungsten and molybdenum as well. What is your main focus in British Columbia in 2010?

**Art Troup:** In 2010 we will be focusing on both our Jersey Emerald and our Kena property. We expect to be drilling the Jersey property first in the spring and then move the drill over where

we're planning some drill holes on the new copper/gold target on our Kena property.

**RI:** Jersey Emerald is a significant past producer, but I guess what investors really want to know is what's left in the ground?

**AT:** We think there could be as much or more lead/zinc mineralization left in the ground as was mined historically. Historically they mined to an assay cutoff of 3.5% combined lead/zinc. When grades were lower, mining would stop. Since we have acquired the property we've drilled beyond those areas where the mining stopped and in many cases we're finding the grade comes back and there is economic lead/zinc mineralization outside of the areas that were mined. We think there is potential for a lot more mineralization.

**RI:** What is your target tonnage?

**AT:** Right now we would like to see five million tonnes of lead/zinc mineralization in the Jersey deposit.

In terms of the tunsten, we currently have five million tonnes of resources in all categories. We would like to have a combined tonnage on the order of ten million tonnes that would be economic at a 2,000 tonne a day operation. That would give us about 15 years of mine life.

**RI:** What indicators are there so far that this is economically mineable?

**AT:** We've done a considerable amount of drilling on the property. Since we acquired it we've put in around 140 drill holes. Ninety-four of those holes tested the lead/zinc mineralization and many of those holes have good lead/zinc grades, comparable to what was mined historically.

**RI:** You recently acquired the adjacent HB, Garnet, and Aspen lead/zinc/silver mines and as a result almost doubled the size of the Jersey Emerald property in the last year. What do you know about the remaining mineralization in these three projects?

**AT:** We know much more about the HB and Garnet deposits than the Aspen deposit. We know from government records that there was a little over 400,000 tonnes left behind at the HB and Garnet mines when the decision was made to shut the mine down. Like at Jersey Emerald, we have been going through the drill records and we're finding that there is potential to expand the ore body beyond the areas that were drilled.

**RI:** How aggressively do you plan to explore these targets?

**AT:** We're planning to get in there with a drill program as soon as the snow is gone. These are very exciting looking targets, especially the long strike extensions of the Garnet mine, where not only do we have a geophysical target to the north, but we have a geochemical target that extends at least 300 metres to the south along the strike of the Garnet mine. The values we're getting are stronger than over the areas that were previously mined. Also, the target remains wide open to the south.

**RI:** How close are these to the past producing Jersey Emerald mines?

**AT:** They would be about 3 km to the north.

**RI:** What is the overall size of the projects in a ballpark sense?

**AT:** I believe we

have 18,000 hectares or 180 square km of land. At the time Placer Dome owned the property I believe they held about 10 square km. But we will be focusing on the targets that are in the vicinity of the historic mines because they could be developed out of the existing infrastructure. We have somewhere between 12 to 15 km of underground haulage tunnels in the Jersey mine itself right into the mineralization. So the development would be very easy there.

**RI:** Lets talk about the rest of the infrastructure in the area. Power, roads, water and even employees can be considered infrastructure.

**AT:** For all of these deposits, I don't think you could ask for better infrastructure. We are a fifteen to thirty minute drive from the local community of Salmo. Salmo was the town site for these mines. We have power running right across the property and for less than \$500,000 we could have a spur put in and power taken right up to the mine. We have power, we have excellent labour force, good road access with paved highway access up to the property and historic mine haulage roads all over the property, as well as a lot of underground tunnels.

**RI:** You also have a lot of drill hole data.

**AT:** If we had to do all that drilling today I don't think we could do it for \$500 million. We have more than 6,000 drill holes in Jersey alone and another 2,500 drill holes now in the HB and Garnet mines and all of that is in our digital database now.

**"We have more than 6,000 drill holes in Jersey alone ..."**  
~President & CEO, Arthur G. Troup



**RI:** Are you planning to update your lead/zinc resource estimate?

**AT:** Yes, we are. In 2007, we completed a scoping study and in 2009, an updated resource estimate for the tungsten mineralization at the Jersey Emerald mine. Currently we are doing a resource estimate on the lead/zinc mineralization in the Jersey deposit and following that, we anticipate doing an updated scoping study for the property.

**RI:** When will that be complete?

**AT:** We expect the resource estimate by the end of February. Following that it might take two to three months to complete an updated scoping study for the combined lead/zinc and tungsten mineralization.

**RI:** What is your exploration budget for the year and how much cash do you have in the bank to back that up with?

**AT:** Right now we have \$1.75 million in the treasury. We are anticipating a budget of \$1 million for our two programs at the Jersey and Kena properties. That may change if financing becomes available and as we get results from our initial drill programs.

**RI:** Let's talk about the Kena project. Not only because it's an established gold deposit with a resource estimate but because you have also had some activity recently that speaks to the untapped potential of the deposit. What did the recent discovery tell you?

**AT:** In the past we have always focused on the gold potential of the Kena property where we've drilled out a resource of around 750,000 ounces combined in all categories. A year ago we brought in a consultant, Dr. Jim Oliver. After reviewing all of our data and visiting the property and inspecting the various showings Jim advised us that

we should also be looking at the copper porphyry potential of the property.

South of the gold mineralization that we've been drilling there is a very large copper and gold soil anomaly. A few holes drilled in this area in the 1980s did intersect copper mineralization.

Following Dr. Jim Oliver's suggested that this could be a standalone target. We went in with an IP survey last fall and to our amazement that survey defined an enormous IP target. The area that we surveyed was 2 kilometres long. The IP anomaly extended the length of our grid and was up to 1 km wide in the central portions of that grid. It appears that the IP anomaly may extend into the geophysical anomaly that we have over the gold mineralization some 3 km to the north.

**RI:** Are you talking about gold and the copper together?

**AT:** Yes. The Geophysics now suggested that our previous gold and copper findings are all part of one very large mineralizing system that could be 5 to 6 km long and up to 1 km or more in width. There is potential for a very large tonnage target there and presently reviewing that. We are presently planning a drill program. Because this project is at a higher elevation we'll wait till drilling is complete on the lower lying Jersey project before we move the drills to Kena and begin testing this huge anomaly.

### Milestones:

- Resource estimate for lead/zinc at Jersey Emerald: Q2 2010
- Updated lead-zinc-tungsten scoping study at Jersey Emerald: Q3 2010
- Drilling throughout the year at Jersey, HB, Garnet and Kena projects

