

SULTAN MINERALS INC.
(an exploration stage company)
CONDENSED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2015

The accompanying condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

	March 31, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets		
Cash	\$ 10,727	\$ 7,030
Short-term investments (Note 5)	426,000	531,000
Receivables	5,255	4,004
Prepaid expenses	4,526	9,452
Total current assets	446,508	551,486
Exploration and evaluation assets (Note 4)	5,889,032	5,889,032
Credit card deposit (Note 6)	17,250	17,250
Reclamation deposits	30,120	30,120
Total assets	\$ 6,382,910	\$ 6,487,888
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 50,872	\$ 57,337
Accounts payable to related parties (Note 9)	4,750	-
Total liabilities	55,622	57,337
Equity		
Share capital	22,861,534	22,861,534
Warrants reserve	429,049	429,049
Share-based payments reserve	3,505,692	3,505,692
Deficit	(20,468,987)	(20,365,724)
Total equity	6,327,288	6,430,551
Total liabilities and equity	\$ 6,382,910	\$ 6,487,888

Going concern (Note 2)

Commitment (Note 10)

Approved on Behalf of the Board of Directors:

/s/ "Arthur G. Troup"

Arthur G. Troup, Director

/s/ "Robin Merrifield"

Robin Merrifield, Director

SULTAN MINERALS INC.

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Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited) (Expressed in Canadian dollars)

	Three months ended	
	March 31,	
	2015	2014
Expenses		
Exploration costs	\$ 1,950	\$ –
Interest and other (recoveries)	214	(251)
Insurance	813	–
Legal, accounting and audit	6,500	7,500
Management fees	–	1,500
Office and administration	31,446	26,104
Salaries and benefits	46,137	49,058
Shareholder communications	19,124	19,962
Travel and conferences	1,429	–
Total expenses	107,613	103,873
Loss before other income (expenses)	(107,613)	(103,873)
Gain on disposal of equipment	3,000	–
Interest income	1,350	–
Unrealized gain on short-term investments (Note 5)	–	30,000
Net loss	(103,263)	(73,873)
Other comprehensive income		
Unrealized gain on available-for-sale financial assets	–	32
Comprehensive loss	\$ (103,263)	\$ (73,841)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	134,771,918	134,771,918

SULTAN MINERALS INC.

(an exploration stage company)
 Condensed Interim Statements of Changes in Shareholders' Equity
 (Unaudited) (Expressed in Canadian dollars)

	Common Shares Without Par Value							Total Equity
	Shares	Amount	Warrants Reserve	Share- based Payments Reserve	Accumulated Other Comprehensive Loss	Deficit		
Balance, December 31, 2013	134,771,918	\$ 22,861,534	\$ 429,049	\$ 3,505,692	\$ (3,886)	\$ (19,875,583)	\$ 6,916,806	
Other comprehensive income	—	—	—	—	32	—	32	
Net loss for the period	—	—	—	—	—	(73,873)	(73,873)	
Balance, March 31, 2014	134,771,918	\$ 22,861,534	\$ 429,049	\$ 3,505,692	\$ (3,854)	\$ (19,949,456)	\$ 6,842,965	
Balance, December 31, 2014	134,771,918	\$ 22,861,534	\$ 429,049	\$ 3,505,692	\$ —	\$ (20,365,724)	\$ 6,430,551	
Net loss for the period	—	—	—	—	—	(103,263)	(103,263)	
Balance, March 31, 2015	134,771,918	\$ 22,861,534	\$ 429,049	\$ 3,505,692	\$ —	\$ (20,468,987)	\$ 6,327,288	

The accompanying notes form an integral part of these financial statements.

SULTAN MINERALS INC.

(an exploration stage company)

Condensed Interim Statements of Cash Flows

(Unaudited) (Expressed in Canadian dollars)

	Three months ended	
	March 31,	
	2015	2014
Operating Activities		
Net loss	\$ (103,263)	\$ (73,873)
Items not involving cash:		
Gain on sale of equipment	(3,000)	—
Unrealized loss on short-term investments	—	(30,000)
Changes in non-cash operating working capital:		
Receivables	(1,251)	22,175
Prepaid expenses	4,926	232
Accounts payable and accrued liabilities	(6,465)	(60,593)
Accounts payable to related parties	4,750	4,500
Cash used in operating activities	(104,303)	(137,559)
Investing Activities		
Proceeds from sale of equipment	3,000	—
Mineral property exploration and evaluation costs	—	(11,220)
Mineral property option payments received	—	150,000
Short-term investments redeemed	105,000	—
Cash provided by investing activities	108,000	138,780
Increase in cash	3,697	1,221
Cash, beginning of period	7,030	32,689
Cash, end of period	\$ 10,727	\$ 33,910
Supplemental information		
Interest paid	\$ —	\$ —
Interest received	\$ 1,350	\$ —
Income tax paid	\$ —	\$ —

SULTAN MINERALS INC.

(an exploration stage company)

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2015

(Unaudited) (Expressed in Canadian dollars)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Sultan Minerals Inc. (the "Company"), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol SUL. The address of the Company's corporate office and its principal place of business is 1066 West Hastings Street, Suite 2000, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The amounts shown as mineral properties and related capitalized exploration costs represent costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements, with the exception to any changes in accounting policies as described in Note 3. These condensed interim financial statements do not contain all the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with our most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

The financial statements were authorized for issuance by the Board of Directors on May 22, 2015.

b) Going Concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the next fiscal year. The Company has incurred losses since its inception and had an accumulated deficit of \$20,468,987 at March 31, 2015, which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

SULTAN MINERALS INC.

(an exploration stage company)

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Three months ended March 31, 2015

(Unaudited) (Expressed in Canadian dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards and Amendments Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2015.

The following standard will be adopted by the Company effective January 1, 2017:

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.

The following standard will be adopted effective January 1, 2018:

IFRS 9 – Financial Instruments: Classification and Measurement

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

SULTAN MINERALS INC.

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Three months ended March 31, 2015

(Unaudited) (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

	KENA PROPERTY, BRITISH COLUMBIA	JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA	TOTAL 2015
Acquisition costs			
As at December 31, 2014	\$ 40,213	\$ -	\$ 40,213
Incurred during the period	-	-	-
As at March 31, 2015	40,213	-	40,213
Exploration and evaluation costs			
Incurred during the period			
Site activities	-	-	-
Options proceeds received	-	-	-
	-	-	-
As at December 31, 2014	2,748,819	3,100,000	5,848,819
As at March 31, 2015	2,748,819	3,100,000	5,848,819
Balance, March 31, 2015	\$ 2,789,032	\$ 3,100,000	\$5,889,032

	KENA PROPERTY, BRITISH COLUMBIA	JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA	TOTAL 2014
Acquisition costs			
As at December 31, 2013	\$ 40,091	\$ -	\$ 40,091
Incurred during the year	122	-	122
As at December 31, 2014	40,213	-	40,213
Exploration and evaluation costs			
Incurred during the year			
Site activities	12,007	-	12,007
Options proceeds received	(227,500)	(900,000)	(1,127,500)
	(215,493)	(900,000)	(1,115,493)
As at December 31, 2013	2,964,312	4,000,000	6,964,312
As at December 31, 2014	2,748,819	3,100,000	5,848,819
Balance, December 31, 2014	\$ 2,789,032	\$ 3,100,000	\$5,889,032

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Notes to Condensed Interim Financial Statements

Three months ended March 31, 2015

(Unaudited) (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Kena Property, Ymir, British Columbia, Canada

The Kena Property is comprised of the original Kena claims and additional properties under option. The properties are contiguous. Kena property is located near the community of Ymir in southeastern British Columbia.

Option Agreement with Altair Gold Inc. (formerly Altair Ventures Inc.)

On December 30, 2011, the Company entered into an option Letter Agreement with Altair Gold Inc. ("Altair"), which was amended on December 28, 2012, June 30, 2013, December 3, 2013 and July 23, 2014. Under the amended terms, Altair has an option to earn a 60% interest in 7,000 hectares of mineral claims that comprise the Kena and Toughnut portions of the Company's Kena Gold-Copper Property (the "Project") in British Columbia by making cumulative option payments totaling \$2,400,000 and issuing 3,666,667 shares of Altair. On December 5, 2014, the agreement with Altair was terminated by both parties due to difficult funding environment. As at December 31, 2014, the Company received \$1,057,500 in cash and in 2,000,000 shares in cumulative option payments from Altair, which were deducted from the acquisition and exploration costs for the Kena and Toughnut portions of the Company's Kena Property.

b) Jersey and Emerald Properties, Salmo, British Columbia, Canada

The Company holds a 100% interest in the Jersey Claim Group located near Salmo, British Columbia. The property is comprised of the original 28 crown granted mineral claims, four 2-post claims and 80 mineral units acquired by option in 1993 and several additional properties acquired by staking or by option. Additional claims forming part of the properties include the Tungsten King Prospect consisting of 14 crown-granted mineral claims, the Truman Hill and Leroy North properties consisting of 17 mineral units, the Summit Gold Property consisting of 4 mineral units and 1 reverted crown grant, the Jumbo 2 and Boncher crown grants, the Invincible Tungsten Mine Tenure Number 2345, the Victory Tungsten Property consisting of 6 reverted crown grants, the Aspen Silver Mine comprised of 7 mineral claims, and approximately 10,000 hectares of adjacent staked mineral tenures.

The Property is subject to various NSR's associated with the various claims. In particular, the Jersey property is subject to a 3.0% NSR that can be reduced to 1.5% by making payments of \$500,000 and issuing 50,000 common shares. Annual advance royalty payments of \$50,000 were to commence in October 2000. The agreement was amended in October 2000, 2004, 2009, and May 2009 extending the commencement of these royalty payments to October 20, 2013.

The first annual royalty payment was due in 2013. The Company has paid the \$50,000 annual royalties. Any subsequent royalty payments are now the responsibility of Margaux Resources Ltd.

During 2014, the Company entered into an option agreement with Margaux Resources Ltd. ("Margaux") to option its 100% interest in the Jersey and Emerald Properties (excluding the Garnet, HB, and HB2 Lead-Zinc Property) for total proceeds of \$4,000,000 over the next three years.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Jersey and Emerald Properties, Salmo, British Columbia, Canada (continued)

To exercise the Option and earn its 100% interest in the Project, Margaux will:

i) make the following cash payments to the Company:

- (A) deposit of \$50,000 (received);
- (B) on or before January 24, 2014, \$150,000 (received);
- (C) on or before January 24, 2014, \$300,000 (received);
- (D) on or before November 8, 2014, \$400,000 (received);
- (E) on or before July 31, 2015, \$350,000
- (F) on or before November 8, 2015, \$1,250,000; and
- (G) on or before November 8, 2016, \$1,500,000;

ii) incur aggregate exploration expenditures on or before November 8, 2016 of \$2,000,000.

The property is carried at the estimated recoverable amount of \$4,000,000 less option payment proceeds received. Any further property costs incurred by the Company are recorded as exploration expenses in the statement of loss and comprehensive loss.

5. SHORT-TERM INVESTMENTS

Short-term investments are summarized as follows:

	Number of Shares	Historical Cost	Fair Value March 31, 2015	Fair Value December 31, 2014
Altair Gold Inc. (Note 4 (a))	2,000,000	\$ 257,500	\$ 20,000	\$ 20,000
GICs	–	406,000	406,000	511,000
Total Investments		\$ 663,500	\$ 426,000	\$ 531,000

These investments are classified as fair value through profit or loss and measured at fair value with fair value gains and losses recognized in income.

6. CREDIT CARD DEPOSIT

The amount of \$17,250 at March 31, 2015 (December 31, 2014 - \$17,250) represents a three-year guaranteed investment certificate with interest at prime minus 1.95% (2014 – 1.95%), held by the bank as security for the Company's credit card usage and is classified as restricted cash.

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Three months ended March 31, 2015

(Unaudited) (Expressed in Canadian dollars)

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and Outstanding

See Statements of Changes in Equity.

c) Stock Options

The Company has a stock option plan which allows for the grant of options to purchase up to 20,390,173 common shares. The following table summarizes information about the stock options outstanding at March 31, 2015:

Weighted Average Exercise Price	Number Outstanding at March 31, 2015	Weighted Average Remaining Contractual Life
\$0.10	6,425,000	2.5 years

A summary of the changes in stock options for the three months ended March 31, 2015 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2014 and March 31, 2015	6,425,000	\$0.10
Balance vested, March 31, 2015	6,425,000	\$0.10

e) Shareholder Rights Plan

The Company's Board of Directors adopted a Shareholder Rights Plan on September 23, 2013.

The Shareholder Rights Plan has been designed to protect shareholders from unfair, abusive or coercive take-over strategies including the acquisition of control of the Company by a bidder in a transaction or series of transactions that may not treat all shareholders fairly nor afford all shareholders an equal opportunity to share in the premium paid upon an acquisition of control. The Shareholder Rights Plan was adopted to provide the Board with sufficient time, in the event of a public take-over bid or tender offer for the common shares, to pursue alternatives which could enhance shareholder value.

This Shareholder Rights Plan is not being adopted in response to any proposal to acquire control of the Company.

The Rights will not, however, be triggered by a "Permitted Bid", which is defined as a bid which is outstanding for a minimum of 60 days made to all of the shareholders of the Company for all of their common shares and, subject to other specified conditions, is accepted by a majority of independent shareholders (as detailed in the Rights Plan).

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(Unaudited) (Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are comprised of:

	March 31, 2015	December 31, 2014
Accounts payable	\$ 872	\$ 1,337
Accrued liabilities	50,000	56,000
	\$ 50,872	\$ 57,337

9. RELATED PARTY TRANSACTIONS AND BALANCES

	Three months ended March 31,	
Services rendered:	2015	2014
Lang Mining Corporation (a)	\$ –	\$ 1,500
Directors' fees (included in office and administration)	4,575	3,000
Shareholder communications	18,000	18,000
Salaries (c)	\$ 46,137	\$ 26,922

	March 31, 2015	December 31, 2014
Balances payable to: (b)		
Directors' fees	\$ 4,750	\$ –

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

- Lang Mining Corporation ("Lang Mining") is a private company controlled by the former chairman and director of the Company. Lang Mining received a management fee of \$NIL (March 31, 2014 – \$1,500) for the services of Frank A. Lang, a former chairman and director of the Company.
- Balances payable to related parties are included in accounts payable to related parties on the statement of financial position. These amounts are non-interest bearing and are due on demand.
- Key management personnel compensation.

10. COMMITMENT

On October 1, 2014, the Company signed an office lease agreement in which the Company is committed to make \$3,108 monthly lease payments for one year starting November 1, 2014.