SULTAN MINERALS INC.

(an exploration stage company)

CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2016

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, 2016 (unaudited)	December 31, 2015
Assets		
Current assets		
Cash	$ 1,681	$ 402
Receivables	2,799	3,843
Prepaid expenses	3,480	4,293
Short-term investments (Note 5)	145,000	167,333
	152,960	175,871
Exploration and evaluation assets (Note 4)	3,130,258	3,140,258
Credit card deposit (Note 6)	17,250	17,250
Reclamation deposits	30,120	30,120
	$ 3,330,588	$ 3,363,499
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	44,789	55,552
Accounts payable to related parties (Note 9)	72,000	36,000
Total liabilities	116,789	91,552
Equity		
Share capital (Note 7)	22,861,534	22,861,534
Warrants reserve (Note 7)	429,049	429,049
Share-based payments reserve	3,505,692	3,505,692
Deficit	(23,582,476)	(23,524,328)
	3,213,799	3,271,947
	$ 3,330,588	$ 3,363,499

Going concern (Note 2)

Approved on Behalf of the Board:

/s/ "*Arthur G. Troup*"
Arthur G. Troup, Director

/s/ "*Robin Merrifield*"
Robin Merrifield, Director

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

SULTAN MINERALS INC.

(an exploration stage company)
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited) (Expressed in Canadian dollars)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Expenses		
Exploration costs	$ –	$ 1,950
Insurance	813	813
Interest	136	214
Legal, accounting and audit	3,500	6,500
Office and administration	7,963	31,446
Salaries and benefits	45,498	46,137
Shareholder communications	19,398	19,124
Travel and conferences	173	1,429
	77,481	107,613
Loss before other items	(77,481)	(107,613)
Gain on disposal of equipment	–	3,000
Interest income	666	1,350
Unrealized gain on investments (Note 5)	18,667	–
Net loss and comprehensive loss	$ (58,148)	$ (103,263)
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						
	Shares	Amount	Warrants Reserve	Share-based Payments Reserve	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
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
Balance, December 31, 2015	134,771,918	$ 22,861,534	$ 429,049	$ 3,505,692	$ –	$ (23,524,328)	$ 3,271,947
Net loss for the period	–	–	–	–	–	(58,148)	(58,148)
Balance, March 31, 2016	134,771,918	$ 22,861,534	$ 429,049	$ 3,505,692	$ –	$ (23,582,476)	$ 3,213,799

SULTAN MINERALS INC.

(an exploration stage company)
Condensed Interim Statements of Cash Flows
(Unaudited) (Expressed in Canadian dollars)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Cash provided by (used for)		
Operations		
Net loss	$ (58,148)	$ (103,263)
Items not involving cash:		
Gain on sale of equipment	–	(3,000)
Unrealized gain on investments	(18,667)	–
Changes in non-cash operating working capital:		
Accounts receivable	1,044	(1,251)
Prepaid expenses	813	4,926
Accounts payable and accrued liabilities	(10,763)	(6,465)
Accounts payable to related parties	36,000	4,750
Cash used in operating activities	(49,721)	(104,303)
Investing		
Mineral property option payments received	10,000	–
Proceeds from sale of equipment	–	3,000
Short-term investments in GICs redeemed	41,000	105,000
Cash provided by investing activities	51,000	108,000
Increase in cash	1,279	3,697
Cash, beginning of period	402	7,030
Cash, end of period	$ 1,681	$ 10,727
Supplemental information		
Interest paid	–	–
Interest received	$ 666	$ 1,350
Income tax paid	–	–

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Sultan Minerals Inc., 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 financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issuance by the Board of Directors on May 25, 2016.

b) Going Concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $23,582,476 at March 31, 2016, 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.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards adopted effective January 1, 2016

On January 1, 2016, the Company adopted the amendments to IFRS 10 *'Consolidated Financial Statements'*. The amendments require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not), while a partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. The adoption of the amendments to this standard did not have a significant impact on the Company's financial statements.

Accounting Standards and Amendments Issued but Not yet Effective

The Company has not early adopted the following standards and amendments and anticipates that the application of these standards and amendments will not have a material impact on the financial position and financial performance of the Company:

- IFRS 15 '*Revenue from Contracts with Customers':* IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information. The standard will be adopted by the Company effective January 1, 2018.

- IFRS 9 '*Financial Instruments':* 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. The standard will be adopted by the Company effective January 1, 2018.

- IFRS 16 'Leases': IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

(Unaudited) (Expressed in Canadian dollars)

4. MINERAL PROPERTY EXPLORATION INTERESTS

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

	KENA PROPERTY, BRITISH COLUMBIA	JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA	TOTAL 2016
Acquisition costs			
As at December 31, 2015	$ 40,258	$ –	**$ 40,258**
Incurred during the period	–	–	–
Option proceeds	–	(10,000)	**(10,000)**
As at March 31, 2016	40,258	(10,000)	**30,258**
Exploration and evaluation costs			
Incurred during the period	–	–	–
As at December 31, 2015	–	3,100,000	**3,100,000**
As at March 31, 2016	–	3,100,000	**3,100,000**
Balance, March 31, 2016	$ 40,258	$ 3,090,000	**$ 3,130,258**

	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	45	–	45
As at December 31, 2015	40,258	–	**40,258**
Exploration and evaluation costs			
Incurred during the period			
Site activities	383	–	383
Geological and geophysical	1,209	–	1,209
Mineral exploration tax credit received	(2,408)	–	(2,408)
Write-down of exploration and evaluation assets	(2,748,003)	–	(2,748,003)
	(2,748,819)	–	(2,748,819)
As at December 31, 2014	2,748,819	3,100,000	**5,848,819**
As at December 31, 2015	–	3,100,000	**3,100,000**
Balance, December 31, 2015	$ 40,258	$ 3,100,000	**$ 3,140,258**

4. MINERAL PROPERTY EXPLORATION INTERESTS (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.

During the year ended December 31, 2015, management determined substantive expenditure on further exploration for and evaluation of minerals resources was not budgeted nor planned due to the difficult funding environment; all exploration and evaluation costs of $2,748,003 were written off.

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 paid by the Company. Subsequent royalty payments became the responsibility of Margaux Resources Ltd. ("Margaux") upon Margaux entering the option agreement as described below.

In 2013, the Company entered into an option agreement with 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 $4,010,000. The payment terms under the agreement were later amended on March 9, 2015, June 30, 2015, October 26, 2015, December 31, 2015, February 11, 2016 and March 18, 2016. Under the terms of the amended agreement, to exercise the Option and earn its 100% interest in the Project, Margaux will now:

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 February 22, 2016, $10,000 (received);
(F) $15,000 per month commencing April 1, 2016 for a period of 12 months (payments for April 1 and May 1, 2016 received);
(G) $50,000 per month commencing April 1, 2017 for a period of 12 months; and
(H) $100,000 per month commencing April 1, 2018 until a total of $4,010,000 has been paid.

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

(Unaudited) (Expressed in Canadian dollars)

4. MINERAL PROPERTY EXPLORATION INTERESTS (continued)

The property is carried at the estimated recoverable amount of $4,010,000 less option payment proceeds of $910,000 received as of March 31, 2016. 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, 2016	Fair Value December 31, 2015
Altair Gold Inc.	133,333	$ 257,500	$ 40,000	$ 23,333
GICs	–	$ 105,000	$ 105,000	$ 146,000
Total Investments	–	$ 362,500	**$ 145,000**	**$ 167,333**

These investments are classified as fair value though 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, 2016 (December 31, 2015 - $17,250) represents a three-year guaranteed investment certificate with interest at prime minus 2.05%, held by the bank as security for the Company's credit card usage and is classified as restricted cash.

7. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares without par value

(b) Issued and outstanding:

See Statements of Changes in Shareholders' 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, 2016:

Weighted Average Exercise Price	Number Outstanding at March 31, 2016	Weighted Average Remaining Contractual Life
$0.10	6,425,000	2.8 years

A summary of the changes in stock options for the three months ended March 31, 2016 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2015 and March 31, 2016	6,425,000	$0.10
Balance vested, March 31, 2016	6,425,000	$0.10

(Unaudited) (Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(d) Share purchase warrants

There are no share purchase warrants outstanding as at December 31, 2015 and March 31, 2016.

(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).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	March 31, 2016	December 31, 2015
Accounts payable	$ 623	$ 1,612
Accrued liabilities	44,166	53,940
	$ 44,789	$ 55,552

9. RELATED PARTY TRANSACTIONS AND BALANCES

Services rendered and reimbursement of expenses:	Three months ended March 31, 2016	December 31, 2015
Directors' fees	$ 4,500	$ 4,575
Shareholder Communication	18,000	18,000
Salaries (b)	45,000	46,137

Balances payable to (a):	March 31, 2016	December 31, 2015
Directors' fees	9,000	4,500
Short term employee benefits (b)	45,000	22,500
Shareholder Communication	18,000	9,000
	$ 72,000	$ 36,000

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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 and on terms and conditions similar to non-related parties as follows:

(a) Balances payable to related parties are included in accounts payable on the statement of financial position. These amounts are non-interest bearing and are due on demand.

(b) Key management personnel compensation.