SULTAN MINERALS INC.
(an exploration stage company)
CONDENSED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2014

The accompanying condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors on May 28, 2014. 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
(Unaudited) (Expressed in Canadian dollars)

	March 31, 2014	December 31, 2013
Assets		
Current assets		
Cash	$ 33,910	$ 32,689
Short-term investments (Note 5)	82,500	52,500
Accounts receivable	6,714	28,889
Prepaid expenses	8,073	8,305
	131,197	122,383
Mineral property exploration interests (Note 4)	6,815,623	7,004,403
Investments (Note 6)	63	31
Credit card deposit (Note 8)	17,250	17,250
Reclamation deposits	36,120	36,120
	$ 7,000,253	$ 7,180,187
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 46,788	$ 107,381
Accounts payable to related parties (Note 11)	95,500	91,000
Deposit received (Note 4b)	–	50,000
Loan from related party (Note 11)	15,000	15,000
Total liabilities	157,288	263,381
Equity		
Share capital (Note 9)	22,861,534	22,861,534
Warrants reserve (Note 9)	429,049	429,049
Share-based payments reserve	3,505,692	3,505,692
Accumulated other comprehensive loss	(3,854)	(3,886)
Deficit	(19,949,456)	(19,875,583)
	6,842,965	6,916,806
	$ 7,000,253	$ 7,180,187

Going concern (Note 2)
Subsequent events (Note 12)

Approved on Behalf of the Board:

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

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

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, 2014	Three months ended March 31, 2013
Expenses		
Depreciation	$ –	$ 253
Legal, accounting and audit	7,500	7,000
Management fees (Note 11)	1,500	1,500
Office and administration (Note 11)	26,104	40,093
Salaries and benefits (Note 11)	49,058	46,708
Share-based payments	–	905
Shareholder communications (Note 11)	19,962	27,224
Travel and conferences	–	1,280
Interest and other (recoveries)	(251)	(296)
Total expenses	103,873	124,667
Loss before other item	(103,873)	(124,667)
Unrealized gain or (loss) on short-term investments (Note 5)	30,000	(115,000)
Net loss	(73,873)	(239,667)
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Unrealized gain on available-for-sale financial assets	32	16
Comprehensive loss	$ (73,841)	$ (239,651)
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			Share-based	Accumulated Other		
	Shares	Amount	Warrants Reserve	Payments Reserve	Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2012	134,771,918	$ 22,861,534	$ 429,049	$ 3,504,469	$ (3,847)	$ (17,715,214)	$ 9,075,991
Share-based payments	–	–	–	904	–	–	904
Other comprehensive income	–	–	–	–	16	–	16
Loss for the period	–	–	–	–	–	(239,667)	(239,667)
Balance, March 31, 2013	134,771,918	$ 22,861,534	$ 429,049	$ 3,505,373	$ (3,831)	$ (17,954,881)	$ 8,837,244
Balance, December 31, 2013	134,771,918	$ 22,861,534	$ 429,049	$ 3,505,692	$ (3,886)	$ (19,875,583)	$ 6,916,806
Share-based payments	–	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	32	–	32
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

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, 2014	2013
Cash provided by (used for)		
Operations		
Net loss	$ (73,873)	$ (239,667)
Items not involving cash:		
Depreciation	–	253
Share-based payment	–	904
Unrealized loss on investments	(30,000)	115,000
Changes in non-cash operating working capital:		
Accounts receivable	22,175	(7,872)
Due to/from related parties	4,500	–
Prepaid expenses	232	2,386
Accounts payable and accrued liabilities	(60,593)	38,415
	(137,559)	(90,581)
Investing		
Mineral property exploration and evaluation costs	(11,220)	(7,940)
Mineral property option payments received	150,000	–
Short-term investments in GICs redeemed	–	133,000
	138,780	125,060
Increase in cash	1,221	34,479
Cash, beginning of period	32,689	(7,450)
Cash, end of period	$ 33,910	$ 27,029
Supplemental information		
Interest paid	–	–
Income tax paid	–	–

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

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 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 the 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.

b) Going Concern

These interim 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 $19,949,456 at March 31, 2014 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. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on January 1, 2014, which were adopted by the Company. There was no significant impact from the adoption of these new standards on the Company's financial statements:

a) *Amendment to IAS 32 Financial Instruments: Presentation*

The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities. The application of this IAS did not have any material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(b) Amended standard IAS 36 Impairment of Assets

The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets. The application of this IAS did not have any material impact on the disclosures for the current or prior years but may affect the disclosures of future transactions or arrangements.

(c) New interpretation IFRIC 21 Levies

This interpretation clarifies the accounting treatment for a liability to pay a levy, where a levy is an outflow of economic benefits imposed by governments on entities in accordance with legislation. The application of this IFRIC did not have any material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

The following are the accounting standards issued but not yet effective, as of March 31, 2014 and are effective for annual periods beginning on or after July 1, 2014:

(i) Amended standard *IFRS 2 Share-based Payment*

The amendment to IFRS 2 re-defines the definition of “vesting condition.”

(ii) Amended standard *IFRS 3 Business Combinations*

The amendment to IFRS 3 provides further clarification on the accounting treatment for contingent consideration, and provides a scope exception for joint ventures.

(iii) Amended standard *IFRS 8 Operating Segments*

The amendments to IFRS 8 provide further clarification on the disclosure required for the aggregation of segments and the reconciliation of segment assets.

(iv) Amended standard *IFRS 13 Fair Value Measurement*

The amendment to IFRS 13 provides further details on the scope of the portfolio exception.

(v) Amended standard *IAS 16 Property, Plant and Equipment*

The amendment to IAS 16 deals with the proportionate restatement of accumulated depreciation on revaluation.

(vi) Amended standard *IAS 24 Related Party Disclosures*

The amendment to IAS 24 deals with the disclosure required for management entities.

(vii) Amended standard *IAS 38 Intangible Assets*

The amendment to IAS 38 deals with the proportionate restatement of accumulated depreciation on revaluation.

(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	MCLEESE LAKE PROPERTY, BRITISH COLUMBIA	STEPHENS LAKE PROPERTY, MANITOBA	TOTAL 2014
Acquisition costs					
As at December 31, 2013	40,091	-	-	-	**40,091**
Incurred during the year	-	-	-	-	-
As at March 31, 2014	40,091	-	-	-	**40,091**
Exploration and evaluation costs					
Incurred during the period					
Site activities	-	11,220	-	-	11,220
Options proceeds received	-	(200,000)			(200,000)
	-	(188,780)	-	-	**(188,780)**
As at December 31, 2013	2,964,312	4,000,000	-	-	**6,964,312**
As at March 31, 2014	2,964,312	3,811,220	-	-	**6,775,532**
Balance, March 31, 2014	$ 3,004,403	$ 3,811,220	-	-	**$6,815,623**

	KENA PROPERTY, BRITISH COLUMBIA	JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA	MCLEESE LAKE PROPERTY, BRITISH COLUMBIA	STEPHENS LAKE PROPERTY, MANITOBA	TOTAL 2013
Acquisition costs					
As at December 31, 2012	40,091	687,669	-	1	**727,761**
Incurred during the year	-	53,712	-	-	**53,712**
Write-down of exploration and evaluation assets	-	(741,381)	-	(1)	**(741,382)**
As at December 31, 2013	40,091	-	-	-	**40,091**
Exploration and evaluation costs					
Incurred during the year					
Rent and administration	4,620	28,421	-	-	**33,041**
Mineral exploration tax credit received	(7,963)	(15,201)	-	-	**(23,164)**
Options proceeds received	(220,000)	-	-	-	**(220,000)**
Write-down of exploration and evaluation assets	-	(786,205)	(26,708)	(140)	**(813,053)**
	(223,343)	(772,985)	(26,708)	(140)	**(1,023,176)**
As at December 31, 2012	3,187,655	4,772,985	26,708	140	**7,987,488**
As at December 31, 2013	2,964,312	4,000,000	-	-	**6,964,312**
Balance, December 31, 2013	$ 3,004,403	$ 4,000,000	$ -	$ -	**$7,004,403**

4. MINERAL PROPERTY EXPLORATION INTERESTS (continued)

a) Kena Property, Ymir, British Columbia, Canada

The Kena Gold-Copper Project of 8,173 hectares encompasses two areas of porphyry-style gold mineralization – the Gold Mountain and Kena Gold Zones situated within an 8.0-km long gold geochemical anomaly. In April 2013 an updated NI43-101 resource estimate was prepared for the Kena option by Gary Giroux, P.Eng, MASc. a qualified person who is independent of Sultan and Altair. The updated resource estimate shows a measured plus indicated resource of 25.28 million tonnes containing 490,000 ounces Gold averaging 0.60 g/t Au and an additional inferred resource of 90.44 million tonnes containing 1,399,000 ounces Gold averaging 0.48 g/t Au, using a 0.30g/t Au cutoff. The mineralization remains open along strike and at depth (see the Company's news release dated April 11, 2013). This resource updates previous estimates completed in May 2004 and reported in Giroux and Dandy, 2004, and a resource estimate completed in May 2012 and reported in Giroux and Grunenberg 2012.

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, and December 3, 2013. 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 completing $7,500,000 in Project related exploration expenditures over six years. The Altair Option has a term of six years commencing on December 30, 2011 (the "Effective Date").

To exercise the Option and earn its (60%) interest in the Project, Altair will:

i) make the following cash option payments to the Company:

(A) within 5 business days of receiving the TSX-V acceptance, $195,000 (received);
(B) within six months from the Effective Date, an additional $200,000 (received);
(C) by July 21, 2013, an additional $50,000 (received);
(D) by September 15, 2013, an additional $150,000 (received);
(E) by April 30, 2014, an additional $200,000 (received, refer to Note 12);
(F) within thirty months from the Effective Date, an additional $300,000;
(G) within forty-two months from the Effective Date, an additional $300,000;
(H) within fifty-four months from the Effective Date, an additional $400,000; and
(I) within sixty-six months from the Effective Date, an additional $600,000;

for total cash option payments of $2,400,000 including $5,000 received on signing of Letter Agreement;

ii) issue common shares of Altair to the Company as follows:

(A) within 5 business days of receiving the TSX-V acceptance, 500,000 shares (received);
(B) within six months from the Effective Date, an additional 500,000 shares (received);
(C) within eighteen months from the Effective Date, an additional 500,000 shares (received);
(D) within thirty months from the Effective Date, an additional 500,000 shares;
(E) within forty-two months from the Effective Date, an additional 500,000 shares;
(F) within fifty-four months from the Effective Date, an additional 500,000 shares; and
(G) within sixty-six months from the Effective Date, an additional 666,667 shares;

for a total of 3,666,667 shares; and

4. MINERAL PROPERTY EXPLORATION INTERESTS (continued)

iii) incur exploration expenditures as follows:

(A) within twelve months from the Effective Date, $1,350,000 (incurred);
(B) within thirty-six months from the Effective Date, an additional $650,000;
(C) within forty-eight months from the Effective Date, an additional $1,000,000; and
(D) within sixty months from the Effective Date, an additional $2,000,000; and
(E) within seventy-two months from the Effective Date, an additional $2,500,000

for total exploration expenditures of $7,500,000.

After Altair has earned its 60% interest in the Project, Altair may elect to extend the option (the “First Option Extension Notice”) and earn a 70% interest in the Project by completing a Feasibility Report within 72 months following the Effective Date. If Altair completes a Feasibility Report within 72 months of the Effective Date, then Altair may elect to earn an additional 5% interest in the Project, making Altair’s aggregate interest in the Project 75% by electing to continue funding all of the Project development expenditures up to the achievement of Commercial Production from the Project. In addition to the other payments provided for in the agreement, Altair will make bonus payments to Sultan as follows:

(A) If, at the end of 51 months following the Effective Date, Altair has elected not to give the First Option Extension Notice, and the Parties have then established that there are measured and indicated gold resources on the Project of not less than 2.0 million ounces at a 0.3 gram/tonne cut-off, then Altair will pay a one-time lump sum $2.0 million Reported Resource Bonus to Sultan.

(B) If, Altair elects to give the First Option Extension Notice, then at the end of 76 months following the Effective Date Altair will pay a Reported Resource Bonus to Sultan equal to the greater of:

(i) $5.00 per ounce of probable and proven mineral reserves on the Project, determined at a 0.3 gram/tonne cut-off; or

(ii) a one-time lump sum amount of $2.0 million, provided that the Parties have by then established that there are measured and indicated gold resources on the Project of not less than 2.0 million ounces at a 0.3 gram/tonne cut-off.

As at March 31, 2014, $830,000 in cumulative option payments from Altair were deducted from the acquisition and exploration costs for the Kena and Toughnut portions of the Company’s Kena Property.

Sultan will retain approximately 550 hectares of claims and crown granted mineral claims adjacent to the northwest corner of the Kena Project which are not included in the Option Agreement with Altair. The retained property includes the recently acquired Daylight property, the Sand property and several adjacent historic gold mines.

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.

4. MINERAL PROPERTY EXPLORATION INTERESTS (continued)

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

The entire Jersey Emerald Property covers approximately 14,000 hectares and includes British Columbia's second and third largest historic lead zinc mines as well as Canada's second largest historic tungsten mine. The property hosts a measured and indicated resource of 19.46 million pounds of WO3 at a grade of 0.358% and an additional inferred resource of 15.93 million pounds of WO3 at a grade of 0.341% both at a cutoff grade of 0.15% WO3 (NI43-101). This property also contains a significant lead zinc resource (see the Company's news release dated March 1, 2010).

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 on October 20, 2013. The Company paid $10,000 in November 2013 and the remaining $40,000 in January 2014.

On November 8, 2013, the Company entered into a non-binding proposal 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.

In addition to the initial deposit of $50,000 (received), to exercise the Option and earn its 100% interest in the Project, Margaux will:

i) make the following cash payments to the Company:

- on or before January 24, 2014, $150,000 (received);
- on or before January 24, 2014, $300,000 (deferred to later date and received, refer to Note 12);
- on or before the first anniversary date, $750,000;
- on or before the second anniversary date, $1,250,000;
- on or before the third anniversary date, $1,500,000;

ii) incur exploration expenditures as follows:

- on or before the third anniversary date, $2,000,000.

c) McLeese Lake Property, British Columbia, Canada

During the year ended December 31, 2013, the Company wrote-off its interest in the McLeese Lake Property as it has no exploration programs planned.

d) Stephens Lake Property, Manitoba, Canada

The Company is in a joint venture with ValGold Resources Ltd. and Agave Silver Corp. (formerly Cream Minerals Ltd.) (the "Companies"). The Companies have 75% of the Trout Claim Group, which are internal to the claims forming the Stephens Lake Property. Under the terms of the Trout Claim Group agreement, the Companies each made cash payments of $36,667 and issued 66,667 common shares to the optionor over a 36-month period from July 22, 2004. During the year ended December 31, 2013, the Company wrote off its interest in the Stephens Lake Property as it has no exploration programs planned.

(Unaudited) (Expressed in Canadian dollars)

5. SHORT-TERM INVESTMENTS

Short-term investments are summarized as follows:

	Number of Shares	Historical Cost	Fair Value March 31, 2014	Fair Value December 31, 2013
Altair Gold Inc. (Note 4 (a))	1,500,000	$ 230,000	$ 82,500	$ 52,500

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. INVESTMENTS

	Number of Shares	Book Value March 31, 2014	Fair Value March 31, 2014	Fair Value December 31, 2013
Emgold Mining Corporation (Note 11 (b))	1,565	$ 3,913	$ 63	$ 31

As at March 31, 2014, investments in available-for-sale securities consist of marketable securities which have a market value of $63 (December 31, 2013 - $31). The carrying amount of these securities are subject to revaluation on a mark-to-market basis at the end of each reporting period, and the increases or decreases arising on revaluation are recorded in Accumulated Other Comprehensive Loss ("AOCL"), a component of shareholders' equity.

7. EQUIPMENT

Cost	Computer Equipment	Field and Mining Equipment	Vehicles	Total
As at December 31, 2013	$ 15,770	$ 49,614	$ 26,271	$ 91,655
Additions	-	-	-	-
As at March 31, 2014	$ 15,770	$ 49,614	$ 26,271	$ 91,655
Accumulated Depreciation				
As at December 31, 2013	$ 15,770	$ 49,614	$ 26,271	$ 91,202
Depreciation	-	-	-	-
As at March 31, 2014	$ 15,570	$ 49,614	$ 26,271	$ 91,455
Carrying Amounts				
Balance, December 31, 2013	$ -	$ -	$ -	$ -
Balance, March 31, 2014	$ -	$ -	$ -	$ -

8. CREDIT CARD DEPOSIT

The amount of $17,250 (December 31, 2013 - $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.

(Unaudited) (Expressed in Canadian dollars)

9. 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, 2014:

Weighted Average Exercise Price	**Number Outstanding at March 31, 2014**	**Weighted Average Remaining Contractual Life**
$0.10	4,430,000	0.2 years
$0.10	500,000	0.7 years
$0.10	6,425,000	3.5 years
$0.10	11,355,000	2.1 years

A summary of the changes in stock options for the three months ended March 31, 2014 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2013	11,355,000	$0.10
Cancelled/forfeited	–	–
Expired	–	–
Balance, March 31, 2014	11,355,000	$0.10
Balance vested, March 31, 2014	11,355,000	$0.10

(d) Share purchase warrants

As at March 31, 2014, the following share purchase warrants issued in connection with financings made by private placements and short-form offerings were outstanding:

Number of Warrants	Exercise Price	Expiry Date
13,333,333	$0.12	June 30, 2014
706,666	$0.12	June 30, 2014
523,800	$0.05	June 30, 2014
1,498,400	$0.12	June 30, 2014
16,062,199	$0.12	

A summary of the changes in warrants for the three months ended March 31, 2014 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2013	20,062,199	$0.11
Expired	(4,000,000)	$0.10
Balance, March 31, 2014	16,062,199	$0.12

(Unaudited) (Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

(e) Shareholder rights plan

The Company's board of directors adopted a Shareholder Rights Plan on August 12, 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).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

Accounts payable and accrued liabilities:	March 31, 2014	December 31, 2013
Accounts payable	$ 788	$ 51,381
Accrued liabilities	46,000	56,000
	$ 46,788	$ 107,381

11. RELATED PARTY TRANSACTIONS AND BALANCES

Services rendered and reimbursement of expenses:	Three months ended March 31, 2014	2013
Lang Mining Corporation (a)	1,500	1,500
Directors' fees	3,000	10,500
Shareholder Communication	18,000	18,000
Short term employee benefit (d)	26,922	38,031

Balances payable to (c):	March 31, 2014	December 31, 2013
Directors' fees	25,000	22,000
Short term employee benefit (d)	45,000	45,000
Shareholder Communication	18,000	18,000
Lang Mining Corporation (a)	7,500	6,000
	$ 95,500	$ 91,000

12. 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) Lang Mining Corporation ("Lang Mining") is a private company controlled by the chairman of the Company. Lang Mining receives a management fee of $500 per month (2013 – $500 per month) for the services of Frank A. Lang, an officer and director of the Company.

(b) The Company's investments include shares in a listed company with a common director.

(c) 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.

(d) Key management personnel compensation.

On June 17, 2013, the Company entered into a loan agreement with its director in the amount of $15,000. As at March 31, 2014, $15,000 (December 31, 2013 - $15,000) of the loan payable was outstanding and included in due to related party on the statement of financial position. The loan is non-interest bearing and is due on demand.

12. SUBSEQUENT EVENTS

a) On April 1, 2014, the Company received option proceeds of $300,000 from Margaux in regards to the option agreement to acquire 100% interest in the Jersey and Emerald properties (Note 4(b)).

b) On May, 2014, the Company received an option payment of $200,000 from Altair (Note 4(a)).