SULTAN MINERALS INC.
(an exploration stage company)
INTERIM FINANCIAL STATEMENTS
MARCH 31, 2007

The Company's independent auditor has not performed a review of these interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)
Interim Balance Sheets
As at March 31, 2007 and December 31, 2006

	March 31, 2007	December 31, 2006
Assets		
Current assets		
Cash	$ 45,544	$ 31,819
Short-term investments	1,075,000	113,000
Accounts receivable	56,183	27,181
Due from related parties (Note 7)	54,658	51,375
Prepaid expenses	53,166	8,862
	1,284,551	232,237
Deferred share issue costs	13,211	15,416
Mineral property interests (see schedule) (Notes 3 and 10)	4,760,395	4,363,937
Investments (Note 4)	4,853	3,914
Equipment	31,453	17,470
Reclamation deposits	38,106	38,106
	$ 6,132,569	$ 4,671,080
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 358,527	$ 92,678
Due to related parties (Note 7)	3,934	--
Current portion of long-term debt	48,000	35,000
	410,461	127,678
Long-term debt (Note 5)	110,000	123,000
Total liabilities	520,461	250,678
Shareholders' equity		
Share capital (Note 6)	16,490,395	15,575,946
Warrants (Note 6)	566,978	182,985
Contributed surplus	662,061	630,278
Deficit	(12,108,265)	(11,968,807)
Accumulated other comprehensive income (Note 2)	939	--
	5,612,108	4,420,402
	$ 6,132,569	$ 4,671,080

Commitments and subsequent events (Note 9)

See accompanying notes to financial statements.

Approved by the Directors

"Arthur G. Troup"
Arthur G. Troup

"Frank A. Lang"
Frank A. Lang

The Company's independent auditor has not performed a review of these interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)
Interim Statements of Operations and Deficit
(Unaudited – prepared by management)

	Three months ended March 31, 2007	2006
Expenses		
Amortization	$ 505	$ 502
Legal, accounting and audit	23,525	1,698
Management fees	12,000	9,500
Office and administration	20,959	24,797
Property investigations	910	--
Salaries and benefits	70,786	53,641
Shareholder communications	54,332	48,668
Stock-based compensation	28,882	--
Travel and conferences	6,822	13,305
Write-down of mineral property interest	--	21,647
Interest and other income	(11,091)	(1,176)
	207,630	172,582
Loss before income taxes	(207,630)	(172,582)
Income tax recovery (Note 6 (c))	68,172	103,128
Loss for the period	(139,458)	(69,454)
Deficit, beginning of period	(11,968,807)	(11,207,534)
Deficit, end of period	$ (12,108,265)	$ (11,276,988)
Loss per share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	70,683,037	54,414,209

Interim Statement of Comprehensive Income
(Unaudited – prepared by management)

	Three months ended March 31, 2007
Loss for the period before comprehensive income	$ (139,458)
Unrealized gains on investments	470
Comprehensive loss	$ (138,988)

See accompanying notes to interim financial statements.
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The Company's independent auditor has not performed a review of these interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)
Interim Statements of Shareholders' Equity
Three months ended March 31, 2007

	Common Shares Without Par Value					Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Warrants	Contributed Surplus	Deficit		
Balance, December 31, 2005	52,971,242	$ 14,503,631	$ 2,304	$ 447,398	$ (11,207,534)	$ --	$ 3,745,799
Issued for cash							
Private placement at $0.12, less share issue costs	4,200,000	319,824	116,304	--	--	--	436,128
Private placement at $0.20	2,000,000	360,559	39,441	--	--	--	400,000
Private placement at $0.18, less share issue costs	1,110,000	179,731	5,000	--	--	--	184,731
Private placement at $0.16, less share issue costs	1,812,725	250,650	22,468	--	--	--	273,118
Stock options exercised	10,000	1,476	--	(476)	--	--	1,000
Warrants exercised	12,500	1,875	--	--	--	--	1,875
Agent's warrants exercised	2,500	528	(228)	--	--	--	300
Issued for mineral property interests and other							
Cariboo claims at $0.18	25,000	4,500	--	--	--	--	4,500
Daylight claim group at $0.18	43,750	7,875	--	--	--	--	7,875
Jersey property at $0.19	200,000	38,000	--	--	--	--	38,000
Kena claims at $0.205	35,000	7,175	--	--	--	--	7,175
Stephens Lake – Trout at $0.195	16,667	3,250	--	--	--	--	3,250
Income tax effect of renunciation of flow-through expenditures	--	(103,128)	--	--	--	--	(103,128)
Warrants expired unexercised	--	--	(2,304)	2,304	--	--	--
Stock-based compensation	--	--	--	181,052	--	--	181,052
Loss for the year	--	--	--	--	(761,273)	--	(761,273)
Balance, December 31, 2006	62,439,384	15,575,946	182,985	630,278	(11,968,807)	--	4,420,402
Issued for cash							
Private placement at $0.16, less share issue costs	9,375,000	920,315	405,035	--	--	--	1,325,350
Warrants exercised	103,500	20,628	(3,034)	--	--	--	17,594
Agent's warrants exercised	197,250	41,678	(18,008)	--	--	--	23,670
Income tax effect of renunciation of flow-through expenditures	--	(68,172)	--	--	--	--	(68,172)
Stock-based compensation	--	--	--	31,783	--	--	31,783
Transition adjustment to opening balance	--	--	--	--	--	469	469
Unrealized gains on investments for the period	--	--	--	--	--	470	470
Loss for the period	--	--	--	--	(139,458)	--	(139,458)
Balance, March 31, 2007	72,115,134	$ 16,490,395	$ 566,978	$ 662,061	$ (12,108,265)	$ 939	$ 5,612,108

See accompanying notes to interim financial statements.

The Company's independent auditor has not performed a review of these interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)
Interim Statements of Cash Flows
(Unaudited - prepared by management)

	Three months ended March 31, 2007	2006
Cash provided by (used for)		
Operations		
Loss for the period	$ (139,458)	$ (69,454)
Items not involving cash		
Amortization	505	502
Stock-based compensation	28,882	--
Income tax recovery	(68,172)	(103,128)
Changes in non-cash operating working capital		
Accounts receivable	(29,002)	1,509
Due to/from related parties	651	24,377
Prepaid expenses	(44,304)	1,549
Accounts payable and accrued liabilities	34,978	(129,526)
	(215,920)	(274,171)
Investing		
Mineral property interests		
Acquisition costs	(7,530)	(31,955)
Exploration and development costs	(136,983)	(47,321)
Short-term investments	(962,000)	--
Reclamation bonds	--	(1,070)
Equipment	(17,352)	(412)
	(1,123,865)	(80,758)
Financing		
Common shares issued for cash, net of share issue costs	1,353,510	466,128
Cash and cash equivalents		
Increase (decrease) during the period	13,725	111,199
Balance, beginning of period	31,819	198,649
Balance, end of period	$ 45,544	$ 309,848
Supplemental information		
Shares issued for mineral property interests	$ --	$ 12,375
Warrants issued related to issuance of share capital	--	54,774
Stock-based compensation capitalized to mineral property interests	2,901	--

See accompanying notes to interim financial statements.

The Company's independent auditor has not performed a review of these interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Interim Financial Statements
Three months ended March 31, 2007 and 2006
(Unaudited – prepared by management)

1. Nature of operations:

Sultan Minerals Inc. (the "Company") is incorporated under the British Columbia Business Corporations Act, and its principal business activity is the exploration and development of mineral properties in Canada.

As disclosed in the financial statements, the Company has working capital, as at March 31, 2007, of $874,090 (December 31, 2006 – $104,559) and an accumulated deficit of $12,108,265 (December 31, 2006 – $11,968,807). Working capital is defined as current assets less current liabilities.

The Company has capitalized $4,760,395 (December 31, 2006 - $4,363,937) in acquisition and related costs on the Kena property, the Jersey and Emerald properties and the Stephens Lake property.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable.

2. Accounting policies:

Basis of presentation

The accompanying financial statements for the interim periods ended March 31, 2007 and 2006, are prepared on the basis of accounting principles generally accepted in Canada and are unaudited, but in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for fair presentation of the financial position, operations and changes in financial results for the interim periods presented. The financial statements for the interim periods are not necessarily indicative of the results to be expected for the full year. These financial statements do not contain the detail or footnote disclosure concerning accounting policies and other matters, which would be included in full year financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2006.

The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the year ended December 31, 2006, and have been consistently followed in the preparation of these financial statement except that the Company has adopted the following Canadian Institute of Chartered Accountants guidelines effective for the Company's first interim period commencing January 1, 2007:

(a) Section 3855 – Financial Instruments – Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value. All of the Company's investments have been designated as available for sale.

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Interim Financial Statements
Three months ended March 31, 2007 and 2006
(Unaudited – prepared by management)

2. Accounting policies (continued):

(b) Section 1530 – Comprehensive Income. Comprehensive income is the change in the Company's net assets that result from transaction, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in earnings or loss such as unexercised gains or losses on available-for sale investments. Other comprehensive income includes the holding gains and losses from available-for-sale securities which are not included in earnings or losses until realized.

(c) Transition adjustment to opening balance. The adoption of Sections 1530 and 3855 impacts the opening equity and losses of the Company. The unrealized gain on the available for sale securities from purchase to December 31, 2006, was $469, which is reported as an adjustment to the opening balance of accumulated other comprehensive income. The unrealized gain or loss on the available for sale securities for the three months ended March 31, 2007, was $470, which is reported in the current period. There would be no tax impact resulting from adjustments arising from comprehensive income as there are unrecorded income tax assets that would result in no income tax being payable.

3. Mineral property interests:

(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. The Kena property is located near the community of Ymir in southeastern British Columbia.

(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.

In June 2006, the Company entered into a purchase agreement to acquire 100% right, title and interest in the surface rights over a portion of 28 crown granted mineral claims, four 2-post claims and 80 mineral units located near Salmo, British Columbia. Under the terms of the agreement, the Company made a payment of $10,000 in cash, and has agreed to make share payments in the aggregate value of $200,000. Share payments of 200,0000 common shares are to be made annually on a value date four months after the date of issue, until the related liability has been extinguished. (See Note 5 – Long-term debt).

(c) Stephens Lake Property, Manitoba, Canada

The Company is in a joint venture with ValGold Resources Ltd. and Cream Minerals Ltd. (the "Companies"). The Companies have a 100% interest in the Stephens Lake Property and an option agreement to acquire 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 have each agreed to make cash payments of $36,667 ($23,333 paid by the Company) and to issue 66,667 common shares by each of the Companies (50,001 issued by the Company) to the optionor over a 36-month period from July 22, 2004.

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Interim Financial Statements
Three months ended March 31, 2007 and 2006
(Unaudited – prepared by management)

3. Mineral property interests (continued):

(d) Mineral Property Interests Commitments

To maintain its mineral property interests the Company is required to make cash payments of $293,333 and issue 286,667 common shares in fiscal 2007. This includes the common shares to be issued on the mortgage payable relating to an acquisition of surface rights.

4. Investments:

Name of Company	Number of Shares	Cost	Accumulated unrealized holding gains	Carrying Value
Emgold Mining Corporation (Note 7(c))	15,652	$ 3,913	$ 939	$ 4,852
LMC Management Services Ltd. (Note 7(a))	1	1	--	1
		$ 3,914	$ 939	$ 4,853

Name of Company	Number of Shares	Book Value December 31, 2006
Emgold Mining Corporation	15,652	$ 3,913
LMC Management Services Ltd.	1	1
		$ 3,914

The quoted market value of Emgold Mining Corporation as at December 31, 2006, was $4,383.

5. Long-term debt:

The Company entered into a long-term agreement, secured by a mortgage payable, relating to the acquisition of surface rights on its Jersey property in British Columbia (See Note 3 (b)). Payment terms are as follows: upon receipt of regulatory approval which was June 1, 2006, $10,000 was paid in cash and 200,000 common shares were issued. Thereafter, payments are to be made as follows: on June 1, 2007, up to 200,000 common shares; on June 1, 2008, up to 200,000 common shares and June 1, 2009, up to 200,000 common shares.

The common shares referred to above are to be valued at the closing market price for the shares on the date that is four (4) months plus one (1) day after the date of issuance of the share payment (the "Valuation Date"), or October 2 of each year. The value of each share payment is to be calculated as of the Valuation Date and a credit given accordingly to the balance due on the purchase price. If the calculation and credit results in the mortgage on the property being paid in full, then the seller is not entitled to any further share payments. If, after the Valuation Date for the payments referred to above, the seller has still not received the full payment of the related liability and purchase price of the property, the Company will pay the remaining balance to the seller by way of a cash payment.

5. Long-term debt (continued):

The Company has the right, at any time after completing the initial payment of cash and shares as set out above, to pay any remaining balance to fully satisfy the purchase price in the form of a cash payment. The current portion of the mortgage payable is estimated by the number of shares to be issued in June 2007 and valued using the closing market price for the common shares of the Company at March 31, 2007, of $0.24 (December 31, 2006 - $0.175). A determination of the value on the valuation date of October 2, 2007, cannot be made with reasonable assurance at the date of these financial statements. Any gain or loss resulting from the difference between the recorded value of the common shares issued and the Valuation Date will be recorded as an adjustment to the balance payable with a corresponding amount recorded in operations. The debt financing adjustment in the year ended December 31, 2006, was $6,000.

	March 31, 2007	December 31, 2006
Long-term debt, opening balance	$ 158,000	$ 200,000
Less cash payment	--	(10,000)
Less payments made in common shares on valuation date	--	(32,000)
Long-term debt, end of period	158,000	158,000
Current portion of long-term debt	$ 48,000	$ 35,000

6. Share capital:

(a) Authorized:

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Issued and outstanding:

See Statements of Shareholders' Equity.

During the three months ended March 31, 2007, the Company completed a brokered private placement of 9,375,000 units at a price of $0.16 per unit, for gross proceeds of $1,500,000. Each unit was comprised of one common share and one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share until January 11, 2009, at an exercise price of $0.25 per share. Non-transferable agent's unit warrants equal to 10% of the total number of units sold, or 937,500 agent's unit warrants were issued. Each agent's unit warrant is exercisable at a price of $0.16 until January 11, 2009, to receive one common share and one-half one non-transferable share purchase warrant (the "Agent's Warrant"). Each whole Agent's Warrant is exercisable at $0.25 until January 11, 2009, to receive one additional common share. The total value attributed to each of the share purchase warrants on the non flow-through shares was $0.04. The share purchase warrants and compensation warrants were valued at a combined value of $0.12. All warrants were valued using a Black-Scholes pricing model using the following assumptions: weighted average risk free interest rate of 3.96%; volatility factor of 76.88%; and an average expected life of the warrants of two years.

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6. Share capital (continued):

(c) Flow-through shares

In 2006, the Company issued 1,110,000 flow-through shares ("FTS") for gross proceeds of $199,800. Under the FTS agreements, the Company agreed to renounce $199,800 of qualifying expenditures to the investors effective December 31, 2006, although under Canadian tax law the expenditures may actually be incurred up to December 31, 2007.

The Company has estimated that the future income taxes recorded at the time of renunciation are approximately $68,172. Consequently, in the three months ended March 31, 2007, the Company has recognized a reduction in share capital and a recovery of future income taxes of $68,172.

(d) Stock options

The Company has a stock option plan which allows for the grant of options to purchase up to 11,899,498 stock options. The following table summarizes information about the stock options outstanding at March 31, 2007:

Exercise Price	Number Outstanding at March 31, 2007	Weighted Average Remaining Contractual Life
$0.10	1,990,000	3.2 years
$0.15	3,020,000	2.3 years
$0.17	2,650,000	4.2 years
$0.32	701,000	0.1 years
$0.25	250,000	5.0 years
$0.40	250,000	5.0 years
$0.60	250,000	5.0 years
$0.10 to $0.60	9,111,000	3.10 years

During the three months ended March 31, 2007, 595,000 options exercisable at $0.21, and 731,000 options exercisable at $0.40 expired unexercised.

A summary of the changes in stock options for the period ended March 31, 2006, is presented below:

	Shares	Weighted Average Exercise Price
Balance, March 31, 2007	9,111,000	$0.16
Balance vested, March 31, 2007	7,223,500	$0.18

6. Share capital (continued):

(e) Share purchase warrants

As at March 31, 2007, 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
1,360,080	$0.15	July 20, 2007
749,999	$0.18	September 16, 2007
1,996,500	$0.17	February 28, 2008
220,250	$0.12	February 28, 2008
110,125*	$0.17	February 28, 2008
1,000,000	$0.30	May 30, 2007
666,000	$0.25	October 18, 2007
1,031,387	$0.25	October 18, 2008
9,375,000	$0.25	January 11, 2009
937,500**	$0.16	January 11, 2009
937,500	$0.25	January 11, 2009
99,875	$0.17	February 28, 2008
18,484,216		

*Underlying agent's warrants, exercisable at $0.12 to receive one share and one half-warrant. Each full warrant is then exercisable until February 28, 2008 at a price of $0.17.
** Underlying agent's warrants, exercisable at $0.16 to receive one share and one half-warrant. Each full warrant is then exercisable until January 11, 2009 at a price of $0.25.

During the three months ended March 31, 2007, 103,500 warrants were exercised at $0.17 and 197,250 agent's warrants were exercised at $0.12.

(f) Shareholder rights plan

Subsequent to March 31, 2007, the Company's shareholders approved the adoption of a Shareholder Rights Plan (the "Rights Plan"). The TSX Venture Exchange has accepted the Rights Plan. Effective as of October 31, 2006, the rights (the "Rights") were issued and attached to all of the Company's outstanding common shares. The Rights, subject to management approval, will become exercisable only if a person, together with its affiliates, associates and acting jointly, acquires or announces its intention to acquire beneficial ownership of the Company's common shares which when aggregated with its current holdings total 20% or more of the outstanding common shares (determined in the manner set out in the Rights Plan). The Rights will permit the holder to purchase common shares of the Company at a 50% discount to their market price (as defined in the Rights Plan Agreement).

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).

The Company's independent auditor has not performed a review of these interim financial statements.

7. Related party transactions and balances:

Services rendered and reimbursement of expenses:	**Three months ended March 31, 2007**	**2006**
LMC Management Services Ltd. (a)	$ 101,370	$ 111,296
Lang Mining Corporation (b)	7,500	7,500
Kent Avenue Consulting Ltd. (c)	4,500	2,000
High Visibility Public Relations (d)	--	5,000

Balances receivable from (payable to) (e):	**March 31, 2007**	**December 31, 2006**
LMC Management Services Ltd.	$ 54,658	$ 49,353
Directors and officers	(3,934)	2,022
Receivable from:	$ 50,724	$ 51,375

(a) Management, administrative, geological and other services are provided by LMC Management Services Ltd. ("LMC"), a private company held jointly by the Company and other public companies, to provide services on a full cost recovery basis to the various public entities currently sharing office space with the Company. There is no difference between the cost of $1 and equity value. The Company has a 25% interest in LMC. Three months of estimated working capital is required to be on deposit with LMC under the terms of the services agreement.

(b) Lang Mining Corporation ("Lang Mining") is a private company controlled by the chairman of the Company. Lang Mining receives a management fee of $2,500 per month for the services of Frank A. Lang, an officer and director of the Company.

(c) Consulting fees were paid to Kent Avenue Consulting Ltd., a private company controlled by Sargent H. Berner, a director of the Company.

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

(e) Balances payable to and receivable from related parties are included in due to and due from related parties, respectively, on the balance sheets. These amounts are non-interest bearing and are due on demand.

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Interim Financial Statements
Three months ended March 31, 2007 and 2006
(Unaudited – prepared by management)

8. Comparative figures:

Where necessary, comparative figures have been reclassified to conform to the current year's presentation.

9. Subsequent events:

Subsequent to March 31, 2007,

(a) The Company completed a non-brokered private placement in two tranches for an aggregate 16,523,864 units for gross proceeds of $3,635,250. Each issued unit is comprised of one (1) common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant issued entitles the holder to purchase one additional common share at a price of $0.30 per share for a period of 18 months, expiring November 11, 2008, for 5,738,750 of the share purchase warrants and November 28, 2008, for 2,523,182 of the share purchase warrants.

The Company paid a cash finder's fee of $271,700 (equal to eight percent (8%) of the gross proceeds received) and issued 1,235,000 non-transferable finder's warrants equal to 8% of the aggregate number of unit sales arranged by an arm's length finders. Each finder's warrant is exercisable to acquire a finder's warrant share, at a price of $0.30 per share for a period of 18 months, expiring November 11, 2008, for 918,200 of the finder's warrants, and November 28, 2008, for 316,800 of the finder's warrants.

(b) 1,030,875 warrants were exercised at prices ranging from $0.15 to $0.30, and 535,000 stock options were exercised at prices ranging from $0.10 to $0.30.

(c) the Company extended the expiry date of 887,500 warrants by one year from May 30, 2007 to May 30, 2008.

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Note 10: Mineral Property Interests

Three months ended March 31, 2007

	Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Total Mineral Property Interests March 31, 2007
Acquisition costs				
Balance, beginning of period	$ 576,166	$ 346,857	$ 17,022	$ 940,045
Incurred during the period	--	7,530	--	7,530
Balance, end of period	576,166	354,387	17,022	947,575
Exploration and development costs				
Incurred during the period				
Assays and analysis	--	14,338	--	14,338
Drilling	--	158,069	--	158,069
Engineering	--	60,879	--	60,879
Geological and geophysical	791	62,283	--	63,074
Site activities	388	76,174	--	76,562
Stock-based compensation	--	2,901	--	2,901
Travel and accommodation	--	13,105	--	13,105
	1,179	387,749	--	388,928
Balance, beginning of period	2,582,452	810,738	30,702	3,423,892
Balance, end of period	2,583,631	1,198,487	30,702	3,812,820
Total Mineral Property Interests	$ 3,159,797	$ 1,552,874	$ 47,724	$ 4,760,395

SULTAN MINERALS INC.

(an exploration stage company)
Note 10: Mineral Property Interests
Year ended December 31, 2006

	Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Coripampa Properties, Peru	Total Mineral Property Interests December 31, 2006
Acquisition costs					
Balance, beginning of year	$ 620,133	$ 35,699	$ 443	$ --	$ 656,275
Incurred during the year	66,158	311,158	16,579	--	393,895
Write-downs during the year	(110,125)	--	--	--	(110,125)
Balance, end of year	576,166	346,857	17,022	--	940,045
Exploration and development costs					
Incurred during the year					
Assays and analysis	6,250	26,935	--	--	33,185
Drilling	72,332	124,987	--	3,580	200,899
Geological and geophysical	11,688	142,831	224	--	154,743
Site activities	7,191	36,494	19,330	18,066	81,081
Stock-based compensation	--	19,730	--	--	19,730
Travel and accommodation	1,011	7,215	--	--	8,226
	98,472	358,192	19,554	21,646	497,864
Balance, beginning of year	2,483,980	452,546	11,148	--	2,947,674
Write-downs during the year	--	--	--	(21,646)	(21,646)
Balance, end of year	2,582,452	810,738	30,702	--	3,423,892
Total Mineral Property Interests	$ 3,158,618	$ 1,157,595	$ 47,724	$ --	$ 4,363,937

Sultan Minerals Inc.
Three Months Ended
March 31, 2007

Sultan Minerals Inc.
Three Months Ended
March 31, 2007

1.1 Date

The effective date of this quarterly report is May 30, 2007.

1.2 Overview

This Management's Discussion and Analysis ("MD&A") contains certain "Forward-Looking Statements." All statements, other than statements of historical fact included herein, including without limitation, statements regarding potential mineralization and resources, research and development activities, and future plans of the Company are forward looking statements that involve various risks and uncertainties including changes in future prices of gold and other metals; variations in ore reserves, grades or recovery rates, accidents, labour disputes and other risks associated with mining; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, technological obsolescence, and other factors. The Company expressly disclaims any obligation to revise or update forward-looking statements and any liability in the event actual results differ from those currently anticipated.

This MD&A should be read in conjunction with the audited financial statements of Sultan Minerals Inc. for the year ended December 31, 2006, and the unaudited interim financial statements for the three months ended March 31, 2007. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Sultan Minerals Inc. ("Sultan" or the "Company") is a mineral exploration company. The Company has a portfolio of mineral exploration projects and the following is a brief summary of its current activities.

- Sultan's loss for the three months ended March 31, 2007 ("Q1 2007") was $139,458 or $0.00 per share, after income tax recovery due to flow-through renunciations, compared to a loss of $69,454 or $0.00 per share in the three months ended March 31, 2006 ("Q1 2006").

- During Q1 2007, operations utilized cash of $215,920 compared to $274,171 in Q1 2006.

- Expenditures on mineral property interests totalled $396,458 in Q1 2007 compared to $113,298 in Q1 2006. The expenditures were incurred on the following mineral properties in Q1 2007: Kena - $1,179 (Q1 2006 - $44,849), Coripampa Properties - $Nil (Q1 2006 - $21,647), Stephens Lake - $Nil (Q1 2006 –$330), and the Jersey and Emerald properties - $395,279 (Q1 2006 - $46,472). The Coripampa Properties were written off in fiscal 2005, and the additional costs of $21,647 were written off in Q1 2006. There were no mineral property write-downs in Q1 2007.

- In the three months ended March 31, 2007, gross proceeds of $1,500,000 were raised in a short-form offering of 9,375,000 units, each unit comprised of one common share and one non-transferable share purchase warrant, which entitles the holder to purchase one additional common share of the Company at $0.25 until January 11, 2009. In addition, subsequent to March 31, 2007, gross proceeds of $3,635,250 were raised through the issuance of 16,523,864 units. Each unit is comprised of one common share and one half of one non-transferable share purchase warrant, which entitles the holder to purchase one additional common share of the Company at $0.30 per share for a period of 18 months from the date of issue.

1.2.1 Jersey and Emerald Properties, British Columbia

The 9,500-hectare Jersey-Emerald Property is located in south-eastern British Columbia, 10 kilometres southeast of the mining community of Salmo. The Jersey-Emerald Property is host to the former Emerald

Tungsten Mine, which was Canada's second largest tungsten producer and the historic Jersey Lead-Zinc Mine, British Columbia's second largest lead-zinc producer. Sultan optioned the initial claims in 1993 and has since expanded its holdings through staking and additional option agreements. In 2005 molybdenum mineralization was discovered beneath the tungsten workings. In the mine area there is an existing network of underground tunnels and workings over a two-square kilometre area that provides excellent access to the margins of the recently identified molybdenum deposit. Sultan presently holds 100% interest in the original claims subject to an advance annual royalty payment of $50,000 scheduled to commence October 20, 2009, and an aggregate 3.0% Net Smelter Return ("NSR") royalty due to the property optionors. Sultan can reduce the NSR royalty to 1.5% by making a payment of $500,000 and issuing 50,000 common shares.

EXPLORATION

The Company has completed a 30-hole diamond drill program totalling 3524 metres that tested the grade, width, depth and continuity of the molybdenum bearing stock work and adjacent tungsten mineralization. Diamond drilling is currently continuing on the property, and the Company is currently drilling the 18th hole of the estimated 4200-metre 2007 drill program. The initial two holes investigated the width and depth of the molybdenum mineralization. All detailed assay results can be viewed in news releases on the Company's website www.sultanminerals.com or on www.sedar.com as they are received.

Exploration expenditures on the Jersey-Emerald property in Q1 2007, with the Q1 2006 comparative figures shown in brackets, include the following: assays and analysis – $14,338 ($14,044l); drilling – 158,069 (2006 - $Nil); engineering - $60,879 (2006 - $Nil); geological and geophysical – $62,283 ($24,094); travel and accommodation – $13,105 ($Nil); stock-based compensation - $2,901 (2006 - $Nil) and site activities – $76,174 ($8,254). Acquisition costs of $7,530 ($80) were incurred.

METALLURGICAL TESTING

The Company received encouraging results from a preliminary Metallurgical Test for Molybdenum Flotation completed on a composite drill core sample. The metallurgical study was completed by Process Research Associates Ltd. of Richmond, BC.

The metallurgical study blended core samples from four diamond drill holes into a single mineral composite which was then tested for molybdenum recovery by various flotation techniques. Although the main mineral of interest was molybdenite, the study found that many potential by-product recovery options should also be considered.

Rougher flotation recovered more than 97% of the contained molybdenum at a relatively coarse particle size (80% passing (P80) 170 um). The first rougher stage flotation recovered 98% of the contained molybdenum and 81% of the contained gold in 4.3% of the mass. The majority of the mass, 61.7%, was contributed by pyrite. Using lime as pyrite depressant in 5 stages of cleaning yielded a concentrate with grades of 29.2% molybdenum, 20.5% iron, 2.82g/T gold and 27.0g/T silver, with recoveries exceeding 47% gold and 95% molybdenum.

Mineralogical studies found that liberation was essentially 100% with the concentrate comprised of free grains of molybdenite (50% to 69%) and pyrite (28% to 45%) with traces (2.0%) of silicates, carbonate and rare chalcopyrite.

These preliminary results are encouraging and further testing is currently underway to improve the molybdenite and pyrite separation.

RESOURCE CALCULATIONS

In November of 2006, the Company received the completed initial resource calculations for the Tungsten and Molybdenum Zones on the Jersey-Emerald Property. Resource calculations were prepared by Giroux Consultants Ltd. and the resulting National Instrument 43-101 Technical Report was co-authored by independent geological consultants Gary Giroux, P.Eng., of Giroux Consultants Ltd. and Perry Grunenberg, P.Geo. of P & L Geological Consultants Ltd.

The initial resource calculations demonstrate that significant deposits of tungsten mineralization remain within the East Dodger and the Invincible Tungsten Mines with excellent exploration potential in both the historically mined areas and the surrounding terrain. Resource calculations for tungsten were determined for the unmined mineralization in the drilled out portions of the Invincible and Dodger tungsten deposits. Within the tungsten zones, tonnages were adjusted to account for underground mining. The proportion of underground voids within each block was determined and this amount of material was subtracted from the tonnage calculated for that block.

Separate resource estimations were produced for tungsten in the Invincible and Dodger Zones based on 4,593 diamond drill holes cored at 25 to 50 ft. centres (7.0m to 15.0m centres) and molybdenum in the Dodger 4200 Zone based on 21 diamond drill holes. Within the tungsten zones assays were capped at 13.2% WO3 in the Invincible-Emerald Zone and 14.2% WO3 in the Dodger Zones, while within the molybdenum zone, assays were capped at 1.58% Mo. Uniform 10 ft down-hole composites were produced within all mineralized zones. Variography demonstrated anisotropic structures for both WO3 and Mo within the mineralized zones. Within the tungsten zones blocks 25 x 25 x25 ft. were interpolated using ordinary kriging. For the molybdenum zone blocks 50 x 50 x 20 ft. were estimated by ordinary kriging. Blocks in all zones were classified using distance parameters tied to the ranges of semivariograms. Specific gravity determinations were made from 2006 drill core. Within the tungsten zones 9 measurements showed a definite correlation between grade of WO3 and specific gravity. Blocks with estimated grades less than 0.1% WO3 were assigned an specific gravity of 2.77 (11.57 cu. ft./ton), blocks ≥0.1 and less than 0.3% WO3 were given a value of 3.25 (9.86 cu. ft./ton) and blocks with estimated grades > 0.3% WO3 were assigned a value of 3.36 (9.54 cu. ft./ton). Within the molybdenum resource area blocks were assigned an average of 8 measurements, a value of 2.68 which converts to a tonnage conversion factor of 11.96 cu. ft./ton.

Within the tungsten zones, using a cut-off grade of 0.15% WO_3, the results show 2.51 million tons averaging 0.37% WO_3 classed as measured plus indicated, with an additional 1.21 million tons averaging 0.40% WO_3 classed as inferred. In the molybdenum zone, the results at a 0.05% Mo cut-off show 28,000 tons averaging 0.098 % Mo classed as indicated with a further 481,000 tons averaging 0.103% Mo classed as inferred.

The results of the resource evaluation are summarized in the following tables.

TOTAL WO_3 RESOURCE FOR JERSEY PROJECT

Classification	Cutoff %	Tons>Cutoff	WO_3 %	Pounds of WO_3
Measured	0.15	1,200,000	0.379	9,096,000
Indicated	0.15	1,310,000	0.365	9,563,000
Measured Plus Indicated	0.15	2,510,000	0.372	18,674,000
Inferred	0.15	1,210,000	0.397	9,607,000

TOTAL MO RESOURCE FOR DODGER 4200 ZONE

Classification	Cutoff %	Tons>Cutoff	Mo%	Pounds of Mo
Indicated	0.05	28,000	0.098	54,880
Inferred	0.05	481,000	0.103	990,860

The Company's consultants have suggested that until an economic evaluation is completed, 0.15% WO3 and 0.05% Mo are realistic cutoff grades for an underground mining operation in this location at current tungsten and molybdenum prices. The details of the report and the total resource may be found on the Company's website: www.sultanminerals.com.

The study indicates that average grades of molybdenum within the porphyry system are significant enough for potential underground mining methods of extraction, and includes limited zones with highly elevated grades.

The report concludes that based on the results of this preliminary resource calculation, potential exists for both tungsten and molybdenum resources on the Jersey property.

The report makes a number of recommendations that can be summarized as follows:

1. Consultation be initiated with the Ministry of Mines of British Columbia to establish the terms of reference for re-permitting this historic mine.
2. A preliminary scoping study should be undertaken to determine the economic parameters and mining plan to develop the resource as well as the requirements necessary for permitting of the site for mining, the results of which are described below.
3. The Invincible Mine workings should be dewatered and the access portals stabilized.
4. The East Emerald Tungsten Zone and its projected extension should be tested with 11,000 metres of drilling in 60 drill holes.
5. The East Dodger Tungsten Zone should be tested with 5,000 metres of drilling in 35 drill holes.
6. The East Dodger Molybdenum Zone should be investigated to the north, south and at depth with 3,000 metres of diamond drilling in 15 drill holes.

The proposed budget for the recommended program is estimated at $4,120,000.

In January 2007, Sultan engaged Wardrop Engineering Inc. ("Wardrop") to complete a scoping study on the Jersey-Emerald Property. The Company received the completed scoping study ("PEA") for the Invincible and Dodger Tungsten Zones on the Jersey-Emerald Tungsten Property in May 2007. The PEA is based on indicated, measured and inferred mineral resources stated below. The assessment has identified a potentially commercial operation at current prices and offers some possibilities of improving the economics substantially. The following steps are suggested in the PEA:

- A 14,000 foot (4,200 metre) underground diamond drill program designed to expand the presently known Dodger tungsten and molybdenum zones;

- A 10,000 foot (3,000 metre) surface diamond drill program for the East Emerald and East Dodger tungsten zones;

- Update diamond drill information digitally from the former Emerald Tungsten Mine to evaluate remaining tungsten mineralization;

- A bulk sampling and metallurgical study on the historic tungsten tailings pond to investigate the potential recovery of tungsten, molybdenum and gold concentrations;

- A cavity measuring program in the historic Jersey lead-zinc mine to determine potential remnant mineralization followed by an NI 43-101 resource estimate.

The PEA has been completed to a ±35% level of accuracy, considered suitable for this level of study. Wardrop used a three-year average concentrate price for the "base case" financial evaluation. The scheelite concentrate pricing, for the financial evaluation in this study, is based on free market values for ammonium paratungstate (APT).

Discounted APT Concentrate Price	Gravity Concentrate Price (US$/mtu)	Flotation Concentrate Price (US$/mtu)	NPV @ 8% discount rate (Cdn$ million)	IRR (%)	Payback Period (Years)
3 year average	198	172	-23.3	-3.4	n/a
2 year average	245	212	9.8	12.4	4.2
Current	244	211	3.8	9.7	4.5

This preliminary assessment is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

The following assumptions were made to develop this preliminary assessment:

- Geological mineralization is continuous between drill holes;
- Existing mine workings have been digitized from previous mine plans and accurately account for the material previously mined out of the orebody;
- The financial evaluation was determined using an economic cutoff grade of 0.233% WO_3.

The Jersey-Emerald Property would produce two scheelite concentrate products:

- Gravity concentrate at a grade of 75% WO_3;
- Flotation concentrate at a grade of 65% WO_3.

The scheelite concentrate may be sold at discounted APT prices. Further understanding on the sale of scheelite concentrate is required. Wardrop recommends the use of a third party to provide further market and contract information in future studies.

There is significant potential for exploration and possible joint venture opportunities on surrounding properties, including:

- Reeves MacDonald Lead-Zinc Property;
- Jackpot Lead-Zinc Deposit;
- Stewart Tungsten and Molybdenum Property;
- Posie Lead-Zinc-Tungsten Claims;
- Molly Property;
- HB Lead-Zinc Property;
- Summit, Ore Hill, and Bonanza Mines.

Sultan has contracted Talon Survey Solutions of Calgary, Alberta to undertake an underground Cavity Measuring Survey of the Jersey Lead-Zinc Mine. The survey will accurately outline the previously mined ore deposits in order that the remaining lead-zinc mineralization may be determined. The survey is expected to be completed by the end of the summer.

Mr. Ed Lawrence, P.Eng., former Manager of the Jersey and Emerald Mines, is managing the exploration drill program. Perry Grunenberg, P.Geo., of PBG Geoscience of Kamloops, B.C., is Sultan's project supervisor and "Qualified Person" for the purpose of National Instrument 43-101, "Standards of Disclosure for Mineral Projects." Core samples are split with a core splitter and half of the core is stored in a secure site in Salmo, B.C. The second half of the core is placed in sealed plastic bags, and shipped to Acme Analytical Laboratories Ltd. in Vancouver, BC. The project's quality control program includes the systematic use of duplicate samples and the use of a secondary laboratory for check assaying.

1.2.2 Kena Property, British Columbia

The Company holds 100% of the original Kena Property claims located near the community of Ymir in southeastern British Columbia.

Exploration expenditures on the Kena property in Q1 2007, with the Q1 2006 comparative figures shown in brackets, include the following: assays and analysis – $Nil ($42); geological and geophysical – $791 ($55); and site activities – $388 ($502). Acquisition costs of $Nil ($44,250) were incurred.

<u>Recommendations</u>
A computer modeling of the property was completed as part of a resource study in 2004. The model indicated numerous untested areas adjacent to mineralized blocks. The report, prepared as part of the resource study, recommended that a $1.27 million diamond drill program be conducted in order to significantly expand resources in the Gold Mountain and Kena Gold Zones. The Company currently does not have the financing available to conduct the entire recommended exploration program but plans to undertake a portion of the program in 2007.

Ms Linda Dandy, P.Geo of P&L Geological Services of Lac Le Jeune, BC, is the Company's project supervisor and "Qualified Person" for the purpose of National Instrument 43-101, "Standards of Disclosure for Mineral Projects".

<u>Kena Property Agreements</u>
Various property agreements have been entered into on properties contiguous to the initial Kena claims. These option agreements include the Starlight Claim Group, the Daylight Claim Group, the Cariboo claims, the Silver King Claim Group and the Athabasca claim Group.

1.2.3 Stephens Lake Property, Manitoba

The Stephens Lake - Trout Claim Group is situated 100 kilometres east of Gillam, Manitoba. The Companies holding interests in this claim group, including the Company, are determining whether any further work will be undertaken on untested targets, or if the Stephens Lake - Trout Claim Group interest will be terminated, or reduced in size.

1.2.4 Mineral Property Option Payments Due In Fiscal 2007

To maintain its mineral property interests the Company is required to make cash payments of $293,333 and to issue 286,667 common shares in fiscal 2007.

1.2.5 Market Trends

The price of gold has increased, continuing an overall uptrend, which began in 2004. The average gold price in 2006 averaged US$603.46 per ounce. To May 29, 2007, gold has averaged US$658.71 per ounce. The average price for molybdenum (roasted) in 2006 was US$25.50 per pound, and the price for tungsten as ATP averaged US$257.00 per metric tonne unit.

1.3 Selected Annual Information

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are expressed in Canadian dollars.

	As at December 31, 2006	As at December 31, 2005	As at December 31, 2004
Current assets	$ 232,237	$ 265,949	$ 481,152
Mineral property interests	4,363,937	3,603,949	3,280,334
Other assets	74,906	109,211	56,557
Total assets	4,671,080	3,979,109	3,818,043
Current liabilities	127,678	233,310	144,435
Long-term debt	123,000	--	--
Shareholders' equity	4,420,402	3,745,799	3,673,608
Total shareholders' equity and liabilities	4,671,080	3,979,109	3,818,043
Working capital (current assets less current liabilities)	104,559	32,639	336,717

	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
Expenses (recoveries)			
Amortization	$ 2,435	$ 987	$ 843
Debt finance adjustment	6,000	--	--
Legal, accounting and audit	33,527	20,691	48,791
Management and consulting fees	46,000	35,000	30,000
Office and administration	74,993	80,278	79,943
Salaries and benefits	171,412	131,542	89,240
Shareholder communications	202,301	98,524	151,953
Stock-based compensation	161,322	176,393	218,207
Travel and conferences	43,246	19,413	32,885
	741,236	562,828	651,862
Property investigations	873	938	4,441
Write-down of mineral property interests	131,771	319,914	--
Interest income	(9,479)	(1,719)	(1,927)
Loss before income taxes	(864,401)	(881,961)	(654,376)
Income tax (recovery) expense – current	--	--	--
– future income taxes	103,128	60,554	--
Loss for the year	$ (761,273)	$ (821,407)	$ (654,376)
Loss per share – basic and diluted	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	58,480,943	48,507,514	40,841,887
Number of common shares issue and outstanding, end of year	62,439,384	52,971,242	46,164,582

1.4 Results of Operations

Sultan had a loss of $139,458, or loss per share of $0.00 in the three months ended March 31, 2007 ("Q1 2007"), compared to a loss of $69,454, or loss per share of $0.00 in the three months ended March 31, 2006 ("Q1 2006").

Revenue

Sultan has no source of revenue. Interest earned on excess cash is incidental income. Interest revenue has increased from $1,175 in Q1 2006 to $11,091 in Q1 2007 due to higher cash balances and interest rates in Q1 2007 as compared to Q1 2006.

Expenses

Legal, accounting and audit increased from $1,698 in Q1 2006 to $23,525 in Q1 2007. Audit fees are accrued throughout the fiscal year. Fees charged for the fiscal 2006 year end were higher than estimated in the accrual, due to the extensive audit work now required, and as a result, expenses are significantly higher in Q1 2007. The fees incurred in the current period were additional audit fees. Audit time is increasing on an annual basis, and will continue to do so, as public company auditors and public companies continue to comply with the extensive detail in the working papers which are required by the Canadian Public Accountability Board, as they review the audit firms that audit public companies. Either external consultants must be hired to comply, or in the case of companies who have administrative and accounting services provided as in the case of Sultan, the time, and therefore the cost, required to complete the extra detail, must be passed onto the Company. Legal fees are ongoing and will vary depending on the activity during the period.

Management fees of $2,500 per month are paid to Lang Mining Corporation, a private company, for the services of Frank Lang as Chairman of the Company, for a total of $7,500 in each fiscal period. In Q1 2007 management fees of $4,500 (2006-$2,000) were paid through LMC Management Services Ltd. to Kent Avenue Consulting Ltd., a private company controlled by Sargent H. Berner, a director of the Company.

Office and administration costs decreased slightly from $24,797 in Q1 2006 to $20,959 in Q1 2007. The office and administration costs include rent, shared office services and other costs related to administration of a public company. An additional company was sharing the office premises in Q1 2007, thus reducing costs for the 2007 quarter.

Salaries and benefits have increased from $53,641 in Q1 2006 to $70,786 in Q1 2007. Salaries will likely continue to increase as administration and regulation of public companies continues to increase.

In Q1 2006, there was $Nil in stock-based compensation expense, compared with $28,882 in Q1 2007. The amount recorded in Q1 2007 relates to the vested portion of stock options granted pursuant to an investor relations' contract with CHF Investor Communications. In addition, stock-based compensation costs of $2,901 were capitalized to the Jersey-Emerald Property. The assumptions used in determining the fair value of each stock option granted in fiscal 2007, with the assumptions used for fiscal 2006 grants in brackets, are as follows: risk free interest rate – 4.01% (4.02%); expected life – 1.5 years (3 years); expected volatility - 72% (81%); and weighted average fair value per option grant of $0.05 ($0.15). The stock options granted on March 29, 2007, were granted as follows: 250,000 options at a price of $0.25; 250,000 options at a price of $0.40, and 250,000 options at a price of $0.60, all with an expiry date of March 29, 2012, and vesting over an 18 month period.

Shareholder communications have increased from $48,668 in Q1 2006 to $54,332 in Q1 2007. The Company utilized the services of Arbutus Enterprises Ltd. ($6,000) and Horng Kher (Marc) Lee ($9,000). Fees paid totalled $15,000 in Q1 2007 compared to $6,000 in Q1 2006, when the sole investor relations adviser was Arbutus Enterprises Ltd. Fees paid relating to Sedar which includes filings to the BC Securities Commission and other commissions and TSX Venture filings decreased from $6,996 in Q1 2006 to $6,095 in Q1 2007. Other shareholder activities consist of web site maintenance, transfer agency fees, shareholder inquiries and all costs associated with timely disclosure of information.

Travel and conference expenses have decreased from $13,305 in Q1 2006 to $6,822 in Q1 2007, consisting primarily of travel costs to the Prospectors and Developers Conference in Toronto.

Property investigation costs have increased from $Nil in Q1 2006 to $910 in Q1 2007. Sultan is presented with property submittals continually, and the submissions are reviewed for possible acquisition. The costs related to submittals are capitalized if the property is acquired, or expensed if the property is not acquired.

In Q1 2006, $21,647 incurred in exploration costs related to the Coripampa party was written off, with no comparative write-down in Q1 2007.

In accordance with CICA Handbook Section 3465 – Income Taxes, the Company has recorded a provision at the time of the actual renunciation, by a reduction in the amount included in share capital relating to the FTS, for the future income taxes related to the deductions foregone by the Company. The Company renounced flow through expenditures in the year ended December 31, 2006, and as a consequence, recognized a reduction in share capital and a recovery of future income taxes of $68,172 in the three months ended March 31, 2007.

The Company also renounced flow through expenditures in the three months ended March 31, 2006, and as a consequence, recognized a reduction in share capital and a recovery of future income taxes of $103,128 in that quarter.

1.5 Summary of Quarterly Results

Summary of Quarterly Results

The table below provides, for each of the most recent eight quarters, a summary of exploration costs on a project-by-project basis and of corporate expenses, net of interest income, mineral property write-downs and property investigations.

	Kena property. British Columbia	Jersey Emerald and other properties	Stephens Lake property, Manitoba	Cori-pampa properties, Peru	General and adminis-trative expenses (recovery) (Note 1)	Loss per quarter	Loss per share
2005							
Second Quarter	27,350	65,668	(2,115)	12,094	234,558	234,974	$0.01
Third Quarter	6,037	173,794	(2,869)	4,472	100,578	125,251	$0.00
Fourth Quarter	9,853	203,831	(131)	26,452	97,260	391,253	$0.01
2006							
First Quarter	44,849	46,472	330	21,647	152,111	69,454	$0.00
Second Quarter	27,208	158,049	24	(1)	245,893	242,901	$0.01
Third Quarter	350	192,410	35,758	--	177,069	176,267	$0.00
Fourth Quarter	92,223	272,419	21	--	166,162	272,651	$0.01
2007							
First Quarter	1,179	395,279	--	--	218,721	139,458	$0.00

Note 1: General and administrative expenses do not include the write-down of mineral property interests, investments, interest and other miscellaneous income or income tax recovery, but include stock-based compensation.
Note 2: Property acquisition and exploration costs exclude the write-down of mineral property interests.

1.6 Liquidity

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily though private placements to sophisticated investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

At March 31, 2007, Sultan's working capital, defined as current assets less current liabilities, was $874,090, compared with working capital of $104,559 at December 31, 2006.

Investing Activities

Acquisitions and Exploration Programs

The following provides the details of the property agreements and the exploration expenditures related to its mineral property interests during the period.

At March 31, 2007, Sultan has capitalized $4,760,395 representing costs associated with the acquisition and exploration of its mineral property interests in British Columbia and Manitoba. During the three months ended March 31, 2007, Sultan's expenditures included $396,458 on the acquisition and exploration of its mineral property interests compared to $891,759 in the year ended December 31, 2006.

1.7 Capital Resources

During the three months ended March 31, 2007, the Company completed a brokered private placement of 9,375,000 units at a price of $0.16 per unit, for cash proceeds after cash share issue costs of $1,325,350. Each unit was comprised of one common share and one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share until January 11, 2009, at an exercise price of $0.25 per share. Non-transferable agent's unit warrants equal to 10% of the total number of units sold, or 937,500 agent's unit warrants were issued. Each agent's unit warrant is exercisable at a price of $0.16 until January 11, 2009, to receive one common share and one-half one non-transferable share purchase warrant (the "Agent's Warrant"). Each whole Agent's Warrant is exercisable at $0.25 until January 11, 2009, to receive one additional common share. The total value attributed to each of the share purchase warrants on the non flow-through shares was $0.04. The share purchase warrants and compensation warrants were valued at a combined value of $0.12. All warrants were valued using a Black-Scholes pricing model using the following assumptions: weighted average risk free interest rate of 3.96%; volatility factor of 76.88%; and an average expected life of the warrants of two years.

In the three months ended March 31, 2007, 103,500 warrants were exercised at a price of $0.17. In addition, 197,250 agent's warrants were exercised at a price of $0.12, for the issue of 197,250 common shares and 98,625 warrants, exercisable at $0.17.

In the three months ended March 31, 2007, 750,000 options were granted to an investor relations firm, of which 250,000 are exercisable at a price of $0.25, 250,000 are exercisable at a price of $0.40, and 250,000 are exercisable at a price of $0.60, all with an expiry date of March 29, 2012.

Subsequent to March 31, 2007, Sultan completed a non-brokered private placement in two tranches for an aggregate 16,523,864 units for gross proceeds of $3,635,250. Each issued unit is comprised of one (1) common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant issued entitles the holder to purchase one additional common share at a price of $0.30 per share for a period of 18 months, expiring November 11, 2008, for 5,738,750 of the share purchase warrants and November 28, 2008, for 2,523,182 of the share purchase warrants.

Sultan paid a cash finder's fee of $271,700 (equal to eight percent (8%) of the gross proceeds received) and issued 1,235,000 non-transferable finder's warrants equal to 8% of the aggregate number of unit sales arranged by an arm's length finders. Each finder's warrant is exercisable to acquire a finder's warrant share, at a price of $0.30 per share for a period of 18 months, expiring November 11, 2008, for 918,200 of the finder's warrants, and November 28, 2008, for 316,800 of the finder's warrants.

In fiscal 2006, 1,110,000 of the common shares issued were flow-through shares ("FTS") for gross proceeds of $199,800. Under the FTS agreements, the Company agreed to renounce $199,800 of qualifying expenditures to the investors effective December 31, 2006, although under Canadian tax law the expenditures may actually be incurred up to December 31, 2007. The Company incurred the related flow-through expenditures in fiscal 2006, but completed the renunciation in fiscal 2007. The Company has estimated that the future income taxes recorded at the time of renunciation are approximately $68,172. At the time of renunciation, the Company recognized a reduction in share capital and a recovery of future income taxes of approximately $68,172.

Subsequent to March 31, 2007, 1,030,875 share purchase warrants were exercised at prices from $0.15 to $0.30 and 535,000 stock options were exercised at prices ranging from $0.10 to $0.30.

The Company will require continued external funding to meet future obligations and to finance further exploration and development work on its mineral properties. The Company currently has funds available to complete all of its planned exploration programs, but as the Company doe not have a source of revenue, there is doubt as to the Company's ability to continue as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The balance sheets of the Company at March 31, 2007, and December 31, 2006, do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing.

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Services rendered and reimbursement of expenses:	Three months ended March 31, 2007	2006
LMC Management Services Ltd. (a)	$ 101,370	$ 111,296
Lang Mining Corporation (b)	7,500	7,500
Kent Avenue Consulting Ltd. (c)	4,500	2,000
High Visibility Public Relations (d)	--	5,000

Balances receivable from (payable to) (e):	March 31, 2007	December 31, 2006
LMC Management Services Ltd.	$ 54,658	$ 49,353
Directors and officers	(3,934)	2,022
Receivable from:	$ 50,724	$ 51,375

(a) Management, administrative, geological and other services are provided by LMC Management Services Ltd. ("LMC"), a private company held jointly by the Company and other public companies, to provide services on a full cost recovery basis to the various public entities currently sharing office space with the Company. There is no difference between the cost of $1 and equity value. The Company has a 25% interest in LMC. Three months of estimated working capital is required to be on deposit with LMC under the terms of the services agreement.

(b) Lang Mining Corporation ("Lang Mining") is a private company controlled by the chairman of the Company. Lang Mining receives a management fee of $2,500 per month for the services of Frank A. Lang, an officer and director of the Company.

(c) Consulting fees were paid to Kent Avenue Consulting Ltd., a private company controlled by Sargent H. Berner, a director of the Company.

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

(e) Balances payable to and receivable from related parties are included in due to and due from related parties, respectively, on the balance sheets. These amounts are non-interest bearing and are due on demand.

1.10 Fourth Quarter

Not applicable.

1.11 Proposed Transactions

There is no proposed asset or business acquisition or disposition before the board of directors for consideration, other than those in the ordinary course of business or as described in items 1.6 or 1.7 above.

1.12 Critical Accounting Estimates

As at March 31, 2007, the Company was a venture issuer.

1.13 Critical accounting policies and changes in accounting policies

(a) Section 3855 – Financial Instruments – Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value. All of the Company's investments have been designated as available for sale.

(b) Section 1530 – Comprehensive Income. Comprehensive income is the change in the Company's net assets that result from transaction, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in earnings ors loss such as unexercised gains or losses on available-for sale investments. Other comprehensive income includes the holding gains and losses from available-for-sale securities which are not included in earnings or losses until realized.

(c) Transition adjustment to opening balance. The adoption of Sections 1530 and 3855 impacts the opening equity and losses of the Company. The unrealized gain on the available for sale securities from purchase to December 31, 2006, was $469, which is reported as an adjustment to the opening balance of accumulated other comprehensive income. The unrealized gain or loss on the available for sale securities for the three months ended March 31, 2007, was $470, which is reported in the current period. There would be no tax impact resulting from adjustments arising from comprehensive income as there are unrecorded income tax assets that would result in no income tax being payable.

1.14 Financial Instruments and Other Instruments

Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value. All of the Company's investments have been designated as available for sale.

1.15.1 Other MD& A Requirements

See the unaudited interim financial statements for the three months ended March 31, 2007.

1.15.2 Additional Disclosure for Venture Issuers without Significant Revenue

(a) capitalized or expensed exploration and development costs

The required disclosure is presented in the schedule of mineral property interests attached to the audited financial statements.

(b) expensed research and development costs

Not applicable.

(c) deferred development costs

Not applicable.

(d) general administrative expenses

The required disclosure is presented in the Statements of Operations.

(e) any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d)

None.

1.15.3 Disclosure of Outstanding Share Data

The following details the share capital structure as of May 29, 2007, the date of this MD&A, subject to minor accounting adjustments:

Authorized Capital

Unlimited number of common shares without par value and unlimited number of preference shares without par value.

Issued and Outstanding Capital

72,115,134 shares are issued and outstanding

Stock Options Outstanding

Number of Options	Exercise Price	Expiry Date
2,550,000	$0.17	June 21, 2011
1,890,000	$0.10	June 10, 2010
2,685,000	$0.15	July 6, 2009
250,000	$0.25	March 29, 2012
250,000	$0.40	March 29, 2012
250,000	$0.60	March 29, 2012
7,875,000		

Warrants Outstanding

Number of Warrants	Exercise Price	Expiry Date
860,080	$0.15	July 20, 2007
611,499	$0.18	September 16, 2007
887,500	$0.30	May 30, 2008
1,789,000	$0.17	February 28, 2008
220,250	$0.12	February 28, 2008
110,125*	$0.17	February 28, 2008
666,000	$0.25	October 18, 2007
1,031,387	$0.25	October 18, 2008
937,500**	$0.25	January 11, 2009
9,365,000	$0.25	January 11, 2009
937,500	$0.16	January 11, 2009
5,738,750	$0.30	November 11, 2008
918,200	$0.30	November 11, 2008
2,523,182	$0.30	November 28, 2008
316,800	$0.30	November 28, 2008
26,912,773		

*Underlying agent's warrants, exercisable at $0.12 to receive one share and one half-warrant. Each full warrant is then exercisable until February 28, 2008, at a price of $0.17.
** Underlying agent's warrants, exercisable at $0.16 to receive one share and one half-warrant. Each full warrant is then exercisable until January 11, 2009, at a price of $0.25.

Subsequent to March 31, 2007, the Company extended the expiry date of 887,500 warrants by one year from May 30, 2007, to May 30, 2008.

The Company's board of directors and the shareholders have approved the adoption of a Shareholder Rights Plan (the "Rights Plan"). The Rights Plan has been implemented by way of a rights plan agreement (the "Rights Plan Agreement") which has been designed to protect shareholders from unfair, abusive or coercive takeover 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 board of directors of the Company (the "Board") considers that the adoption of the Rights Plan is desirable and in the interests of all of the Company's shareholders. The Rights Plan Agreement was adopted to provide the Board with sufficient time, in the event of a public takeover bid or tender offer for the common shares of the Company, to pursue alternatives which could enhance shareholder value. These alternatives could involve the review of other takeover bids or offers from other interested parties to provide shareholders desiring to sell the Company's common shares with the best opportunity to realize the maximum sale price for their common shares. In addition, with sufficient time, the Board would be able to explore and, if feasible, advance alternatives to maximize share value through possible corporate reorganizations or restructuring. The directors need time in order to have any real ability to consider these alternatives.

As at October 31, 2006, the rights (the "Rights") were issued and attached to all of Sultan's outstanding common shares. A separate rights certificate will not be issued until such time as the Rights become exercisable (which is referred to as the "separation time"). The Rights will become exercisable only if a person, together with its affiliates, associates and others acting jointly, acquires or announces its intention to acquire beneficial ownership of Sultan common shares which when aggregated with its current holdings total 20% or more of the outstanding Sultan common shares (determined in the manner set out in the Rights Plan). The Rights will permit shareholders other than the acquiring person to purchase common shares of the Company at a 50% discount to their market price (as defined in the Rights Plan Agreement).

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).

The Company has no knowledge of any pending or threatened takeover bids for the Company, and has no reason to believe that any takeover offer for the Company's shares is imminent.

Other Information

Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2007, that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information.

Approval

The Board of Directors of Sultan Minerals Inc. has approved the disclosure contained in the Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.

Caution on Forward-Looking Information

This Interim MD&A includes forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company 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 in each case could differ materially from those currently anticipated in such statements, and the Company expressly disclaims any obligation to revise or update forward-looking statements in the event actual results differ from those currently anticipated.