

SULTAN MINERALS INC.
(an exploration stage company)
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2007

The Company's independent auditor has not performed a review of these 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 Balance Sheets

As at June 30, 2007 and December 31, 2006

	June 30, 2007	December 31, 2006
Assets		
Current assets		
Cash	\$ 256,196	\$ 31,819
Short-term investments	3,860,000	113,000
Accounts receivable	72,860	27,181
Due from related parties (Note 7)	62,882	51,375
Prepaid expenses	67,605	8,862
	4,319,543	232,237
Deferred share issue costs	--	15,416
Mineral property interests (see schedule) (Notes 3 and 10)	5,418,068	4,363,937
Investments (Note 4)	2,818	3,914
Equipment	29,293	17,470
Reclamation deposits	23,420	38,106
	\$ 9,793,142	\$ 4,671,080
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 117,728	\$ 92,678
Due to related parties (Note 7)	2,222	--
Current portion of long-term debt	72,000	35,000
	191,950	127,678
Long-term debt (Note 5)	39,000	123,000
	230,950	250,678
Shareholders' equity		
Share capital (Note 6)	20,325,768	15,575,946
Warrants (Note 6)	982,787	182,985
Contributed surplus	638,263	630,278
Deficit	(12,383,530)	(11,968,807)
Accumulated other comprehensive loss (Notes 2 and 4)	(1,096)	--
	9,562,192	4,420,402
	\$ 9,793,142	\$ 4,671,080

Subsequent events (Notes 3 and 9)

See accompanying notes to interim 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 June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Expenses				
Amortization	\$ 505	\$ 583	\$ 1,010	\$ 1,085
Legal, accounting and audit	19,000	5,265	42,526	6,962
Management fees	12,000	13,500	24,000	23,000
Office and administration	19,224	17,138	40,182	41,936
Salaries and benefits	60,274	47,406	131,060	101,047
Shareholder communications	78,858	60,933	133,190	109,601
Stock-based compensation	42,239	71,956	71,122	71,956
Property investigations	993	--	1,903	--
Travel	17,564	29,112	24,386	42,418
Write-down of mineral property interests	72,930	--	72,930	21,646
Interest and other income	(48,322)	(2,992)	(59,414)	(4,168)
	275,265	242,901	482,895	415,483
Loss before income taxes	(275,265)	(242,901)	(482,895)	(415,483)
Income tax recovery (Note 6(c))	--	--	68,172	103,128
Loss for the period	(275,265)	(242,901)	(414,723)	(312,355)
Deficit, beginning of period	(12,108,265)	(11,276,988)	(11,968,807)	(11,207,534)
Deficit, end of period	\$ (12,383,530)	\$ (11,519,889)	\$ (12,383,530)	\$ (11,519,889)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	82,376,246	58,005,926	75,561,943	56,235,983
Number of common shares outstanding, end of period	92,977,773	59,497,492	92,977,773	59,497,492

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

	Three months ended June 30, 2007	Six months ended June 30, 2007
Loss for the period before comprehensive income	\$ (275,265)	\$ (414,723)
Unrealized losses on investments	(2,035)	(1,096)
Comprehensive loss	\$ (277,300)	\$ (415,819)

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 Shareholders' Equity

Six months ended June 30, 2007

	Common Shares Without Par Value			Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Warrants				
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
Private placement at \$0.22, less share issue costs	16,523,864	2,817,306	511,800	--	--	--	3,329,106
Warrants exercised	2,618,650	607,375	(50,312)	--	--	--	557,063
Agents' warrants exercised	859,875	193,409	(66,721)	--	--	--	126,688
Income tax effect of renunciation of flow-through expenditures	--	(68,172)	--	--	--	--	(68,172)
Issued for mineral property interests and other							
Jersey property at \$0.365	150,000	54,750	--	--	--	--	54,750
Jersey property at \$0.235	200,000	47,000	--	--	--	--	47,000
Stock-based compensation	--	--	--	76,924	--	--	76,924
Stock options exercised	811,000	177,839	--	(68,939)	--	--	108,900
Transition adjustment to opening balance	--	--	--	--	--	469	469
Unrealized gains on investments for the period	--	--	--	--	--	(1,565)	(1,565)
Loss for the period	--	--	--	--	(414,723)	--	(414,723)
Balance, June 30, 2007	92,977,773	\$ 20,325,768	\$ 982,787	\$ 638,263	\$ (12,383,530)	\$ (1,096)	\$ 9,562,192

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 June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Cash provided by (used for):				
Operations				
Loss for the period	\$ (275,265)	\$ (242,901)	\$ (414,723)	\$ (312,355)
Items not involving cash				
Amortization	505	583	1,010	1,085
Stock-based compensation	42,239	71,956	71,122	71,956
Write-down of mineral property interests	72,930	--	72,930	21,646
Future income taxes	--	--	(68,172)	(103,128)
Changes in non-cash working capital				
Accounts receivable	(16,677)	(7,129)	(45,679)	(5,620)
Due to/from related parties	(9,936)	(45,679)	(9,285)	(21,302)
Prepaid expenses	(14,439)	(18,846)	(58,743)	(17,297)
Accounts payable and accrued liabilities	(33,042)	(36,237)	1,936	(165,763)
	(233,685)	(278,253)	(449,604)	(530,778)
Investing activities				
Mineral property interests				
Acquisition costs	(56,079)	(30,464)	(63,609)	(62,419)
Exploration and development costs	(856,521)	(99,771)	(993,532)	(167,831)
Purchase of short term investments	(2,785,000)	--	(3,747,000)	--
Purchase of equipment	(1,542)	(3,158)	(18,867)	(4,477)
Reclamation bonds	14,686	--	14,686	(1,070)
	(3,684,456)	(133,393)	(4,808,322)	(235,797)
Financing activities				
Common shares issued for cash	4,128,793	402,875	5,482,303	869,003
Increase (decrease) in cash and cash equivalents during the period				
	210,652	(8,771)	224,377	102,428
Cash and cash equivalents, beginning of period				
	45,544	309,848	31,819	198,649
Cash, and cash equivalents, end of period				
	\$ 256,196	\$ 301,077	\$ 256,196	\$ 301,077
Supplemental information				
Shares issued for mineral property interests	\$ 101,750	\$ 47,175	\$ 101,750	\$ 59,550
Stock-based compensation capitalized to mineral property interests	2,903	6,964	5,803	6,964
Warrants issued for agent's, finders and corporate finance fees	87,961	\$ --	\$ 201,344	\$ 54,774

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

Six months ended June 30, 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 June 30, 2007, of \$4,127,593 (December 31, 2006 – \$104,559) and an accumulated deficit of \$12,383,530 (December 31, 2006 – \$11,968,807). Working capital is defined as current assets less current liabilities.

The Company has capitalized \$5,418,068 (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 June 30, 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.

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

Six months ended June 30, 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 six months ended June 30, 2007, was \$1,096, 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. The Company returned the Silver King claims, a portion of the Kena Property, to the optionor for a write-down of \$72,930.

(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 200,000 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. Subsequent to June 30, 2007, the final payments of cash (\$13,334) and shares (16,666 common shares) were made on the Trout Claim group.

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

Six months ended June 30, 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 \$13,333 and issue 286,667 common shares in fiscal 2007, all of which have been issued during the period or subsequent to June 30, 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(d))	15,652	\$ 3,913	\$ (1,096)	\$ 2,817
LMC Management Services Ltd. (Note 7(a))	1	1	--	1
		\$ 3,914	\$ (1,096)	\$ 2,818

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.

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

Six months ended June 30, 2007 and 2006

(Unaudited – prepared by management)

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 2008 and valued using the closing market price for the common shares of the Company at June 30, 2007, of \$0.36 (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.

	June 30, 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	(47,000)	(32,000)
Long-term debt, end of period	111,000	158,000
Current portion of long-term debt	\$ 72,000	\$ 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 six months ended June 30, 2007, the Company completed:

- (i) 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.

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

Six months ended June 30, 2007 and 2006

(Unaudited – prepared by management)

6. Share capital (continued):

(ii) 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 was comprised of one 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 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.

(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 six months ended June 30, 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 June 30, 2007:

Average Exercise Price	Number Outstanding at June 30, 2007	Weighted Average Remaining Contractual Life
\$0.10	1,645,000	2.9 years
\$0.10	50,000	0.2 years
\$0.15	2,554,000	2.0 years
\$0.15	50,000	0.2 years
\$0.17	2,550,000	4.0 years
\$0.25	250,000	4.8 years
\$0.40	250,000	4.8 years
\$0.60	250,000	4.8 years
\$0.17	7,599,000	3.12 years

During the six months ended June 30, 2007, 595,000 options exercisable at \$0.21, and 731,000 options exercisable at \$0.40 expired unexercised. At June 30, 2007, 6,399,000 stock options were vested with an average exercise price of \$0.15.

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

Six months ended June 30, 2007 and 2006

(Unaudited – prepared by management)

6. Share capital (continued):

(e) Share purchase warrants

As at June 30, 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
772,500	\$0.15	July 20, 2007
561,999	\$0.18	September 16, 2007
1,689,000	\$0.17	February 28, 2008
120,250	\$0.12	February 28, 2008
60,125*	\$0.17	February 28, 2008
775,000	\$0.30	May 30, 2008***
555,000	\$0.25	October 18, 2007
338,237	\$0.25	October 18, 2008
9,485,250	\$0.25	January 11, 2009
474,750**	\$0.16	January 11, 2009
474,750	\$0.25	January 11, 2009
5,738,750	\$0.30	November 10, 2008
918,200	\$0.30	November 10, 2008
2,523,182	\$0.30	November 10, 2008
316,800	\$0.30	November 10, 2008
24,803,373		

*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.

***Extended to May 30, 2008, from May 30, 2007

During the six months ended June 30, 2007, 2,618,650 warrants were exercised at prices ranging from \$0.15 to \$0.30, and 859,875 agent's warrants were exercised at prices ranging from \$0.12 to \$0.17. During the six months ended June 30, 2007, the Company extended the expiry date of 887,500 warrants by one year from May 30, 2007, to May 30, 2008.

(f) Shareholder rights plan

During the period 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 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

Six months ended June 30, 2007 and 2006

(Unaudited – prepared by management)

6. Share capital (continued):

- (f) Shareholder rights plan (continued)

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).

7. Related party transactions and balances:

	Six months ended June 30,	
	2007	2006
Services rendered and reimbursement of expenses:		
LMC Management Services Ltd. (a)	\$ 231,031	\$ 219,216
Lang Mining Corporation (b)	15,000	15,000
Kent Avenue Consulting Ltd. (c)	9,000	8,000
High Visibility Public Relations (d)	--	10,000
	June 30,	December 31,
	2007	2006
Balance receivable from (e):		
LMC Management Services Ltd.	\$ 62,882	\$ 49,353
Directors and officers	--	2,022
	\$ 62,882	\$ 51,375
Balances payable to (e):		
Directors and officers	\$ 2,222	\$ --

- (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 indirectly to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. These fees were paid through LMC, and are also included in the balance for services provided by LMC Management Services. Any amounts payable to Kent Avenue Consulting Ltd. is owed to LMC, and so is included in the net receivable from LMC.
- (d) The Company's investments include shares in a listed company with a common director and officer.

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

Six months ended June 30, 2007 and 2006

(Unaudited – prepared by management)

7. Related party transactions and balances (continued):

- (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.

8. Comparative figures:

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

9. Subsequent events:

Subsequent to June 30, 2007:

- (a) 1,874,195 warrants were exercised at prices ranging from \$0.15 to \$0.25, 415,750 agents' warrants were exercised at prices ranging from \$0.12 to \$0.25, and 238,750 stock options were exercised at prices ranging from \$0.10 to \$0.17, to provide \$443,818 to the treasury.
- (b) The Company completed a purchase agreement to acquire 100% of the rights, title and interest for the surface rights over 150 acres of land. Under the terms of the Agreement, the Company made a single cash payment of \$50,000 and issued 150,000 common shares to the sellers for the purchase of the property. The shares and cash were issued prior to June 30, 2007, but were held in escrow until the transaction was finalized in July 2007. The acquisition is included in mineral property costs in Jersey-Emerald.
- (c) The Company entered into a purchase agreement to acquire 100% of the rights, title and interest in the surface rights to 22.0 acres of land. Under the terms of the agreement, the Company made a single cash payment of \$18,100 and issued 30,000 common shares to the sellers.
- (d) The Company granted 2,440,000 stock options at a price of \$0.45, expiring July 20, 2012, to directors, officers, employees and consultants, vesting pursuant to the terms of the Company's stock option plan.

SULTAN MINERALS INC.

(an exploration stage company)

Note 10: Mineral Property Interests

Six months ended June 30, 2007

		Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Total Mineral Property Interests June 30, 2007
Acquisition costs					
Balance, beginning of period	\$	576,166	\$ 346,857	\$ 17,022	\$ 940,045
Incurred during the period		122	118,237	--	118,359
Write-downs during the period		(72,826)	--	--	(72,826)
Balance, end of period		503,462	465,094	17,022	985,578
Exploration and development costs					
Incurred during the period					
Assays and analysis		--	56,553	--	56,553
Drilling		--	443,332	--	443,332
Engineering		--	131,936	--	131,936
Geological and geophysical		987	170,029	--	171,016
Site activities		741	145,775	14,670	161,186
Stock-based compensation		--	5,803	--	5,803
Travel and accommodation		--	38,876	--	38,876
		1,728	992,304	14,670	1,008,702
Balance, beginning of period		2,582,452	810,738	30,702	3,423,892
Write-downs during the period		(104)	--	--	(104)
Balance, end of period		2,584,076	1,803,042	45,372	4,432,490
Total Mineral Property Interests	\$	3,087,538	\$ 2,268,136	\$ 62,394	\$ 5,418,068

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 and Six Months Ended
June 30, 2007

1.1	Date	2
1.2	Overview	2
1.2.1	Jersey and Emerald Properties, British Columbia	2
1.2.2	Kena Property, British Columbia.....	6
1.2.3	Stephens Lake Property, Manitoba	7
1.2.4	Mineral Property Option Payments Due In Fiscal 2007	7
1.2.5	Market Trends	7
1.3	Selected Annual Information	8
1.4	Results of Operations	9
1.5	Summary of Quarterly Results.....	11
1.6	Liquidity.....	12
1.7	Capital Resources.....	13
1.8	Off-Balance Sheet Arrangements	14
1.9	Transactions with Related Parties	14
1.10	Fourth Quarter.....	15
1.11	Proposed Transactions	15
1.12	Critical Accounting Estimates	15
1.13	Critical accounting policies and changes in accounting policies.....	15
1.14	Financial Instruments and Other Instruments	16
1.15.1	Other MD& A Requirements.....	16
1.15.2	Additional Disclosure for Venture Issuers without Significant Revenue.....	16
1.15.3	Disclosure of Outstanding Share Data.....	16
	Other Information	18

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

1.1 Date

The effective date of this quarterly report is August 24, 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 six months ended June 30, 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 six months ended June 30, 2007 ("fiscal 2007") was \$414,723 or \$0.00 per share, after income tax recovery of \$68,172, due to flow-through renunciations, compared to a loss of \$312,355 or \$0.01 per share in the six months ended June 30, 2006 ("fiscal 2006"), also after income tax recovery due to flow-through renunciations of \$103,128.
- During fiscal 2007, operations utilized cash of \$449,604 compared to \$530,778 in fiscal 2006.
- Expenditures on mineral property interests totalled \$1,127,061 in fiscal 2007 compared to \$298,578 in fiscal 2006. The expenditures were incurred on the following mineral properties in fiscal 2007, with the fiscal 2006 numbers in brackets: Kena - \$1,850 (\$72,057), Coripampa Properties - \$Nil (\$21,646), Stephens Lake - \$14,670 (\$354), and the Jersey and Emerald properties - \$1,110,541 (\$204,521). The Coripampa Properties were written off in fiscal 2005, and the additional costs of \$21,646 were written off in fiscal 2006. Mineral property write-downs relating to certain Kena property claims in fiscal 2007 were \$72,930.
- The Company raised \$5,482,303 by the issuance of 30,188,389 common shares in fiscal 2007 through a short-form offering, private placements and the exercise of common shares and warrants.

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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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.

Subsequent to June 30, 2007, the Company completed a purchase agreement to acquire 100% of the rights, title and interest for the surface rights over 150 acres of land overlying part of the Jersey Claim Group which consists of 28 crown-granted mineral claims, four two-post claims and 80 mineral units located near Salmo, British Columbia. Under the terms of the agreement, Sultan made a cash payment of \$50,000 and 50,000 common shares were issued to the sellers for the purchase of the property. The shares and cash were issued prior to June 30, 2007, but were held in escrow until the transaction was finalized in July 2007. The acquisition is included in mineral property costs in Jersey-Emerald.

Also subsequent to June 30, 2007, the Company entered into a purchase agreement to acquire 100% of the rights, title and interest in the surface rights to 22.0 acres of land overlying the conveyor tunnel that transported ore from the former Jersey Lead-Zinc Mine and the access tunnel to the former underground crusher chamber in the Emerald Tungsten Mine. The property is crossed by the access roads to the proposed future mill site. Under the terms of the agreement, made a cash payment of \$18,100 and issued 30,000 common shares to the sellers.

The Company is taking the necessary steps to advance the known molybdenum and tungsten deposits at our Jersey-Emerald mine as is evident by this land acquisition purchase and the drilling program which is well underway. Sultan now owns 1,100 acres of surface rights over the proposed mine site.

EXPLORATION

In 2006 the Company completed a 30-hole diamond drill program totalling 3,524 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 has completed drilling the 19th hole of the estimated 10,000-metre 2007 drill program. All detailed assay results can be viewed in news releases on the Company's website www.sultanminerals.com or on www.sedar.com.

Exploration expenditures on the Jersey-Emerald property in fiscal 2007 with the fiscal 2006 comparative figures shown in brackets include the following: assays and analysis – \$56,553 (\$21,106); drilling - \$443,332 (\$47,984); engineering - \$131,936 (Nil); geological and geophysical – \$170,029 (\$56,025); travel and accommodation – \$38,876 (\$2,606); stock-based compensation - \$5,803 (\$6,964) and site activities – \$145,775 (\$14,025). Acquisition costs of \$118,237 (\$55,811) were incurred.

Mr. Ed Lawrence, P.Eng., former Manager of the Jersey and Emerald Mines, is managing the ongoing diamond drilling programs. Mr. Perry Grunenberg, P.Geo., of PBG Geoscience from Kamloops, BC, is Sultan's project supervisor and "Qualified Person" for the purpose of NI 43-101, "Standards of Disclosure for Mineral Projects." Standard sampling procedures were used whereby the core was split with a core splitter and half of the core sent by trucking company directly to Acme Labs Ltd in Vancouver for assay by standard analytical procedures. The remaining half of the core is stored in the Company's core storage facility in Salmo, BC. All sample preparation was done at the laboratory by Acme staff. Checks are being run on 5% of the samples at Becquerel Laboratories in Mississauga, Ontario for tungsten and Assayers Canada in Vancouver, BC for other elements.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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.

Within the tungsten zones, using a cut-off grade of 0.15% WO₃, the results show 2.51 million tons averaging 0.37% WO₃ classed as measured plus indicated, with an additional 1.21 million tons averaging 0.40% WO₃ 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 WO₃ RESOURCE FOR JERSEY PROJECT

Classification	Cutoff %	Tons>Cutoff	WO₃ %	Pounds of WO₃
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 made a number of recommendations that included completion of a scoping study for the project. The Company hired Wardrop Engineers to complete a scoping study, and received a 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, with a status update following each step in the proposed work plan:

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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

This drilling program was completed in June 2007, and a total of 19 holes were completed.

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

This program is presently underway with coring commencing on the fourth hole over the East Emerald Zone.

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

This program is underway with drill logs from the Emerald Mine presently being entered into the mine's digital data base.

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

Bulk sampling of the tailings pond has been completed and samples have been sent for metallurgical testing under supervision of Wardrop Engineering.

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

In May 2007 Talon Survey Solutions of Calgary, Alberta were contracted to undertake an underground Cavity Measuring Survey of the underground Jersey Lead-Zinc Mine workings. Surveys have now been completed in the "A" and "F" Lead-Zinc Zones – approximately 5.0% of the total mine workings. The surveys accurately outline the previously mined ore deposits in order that the size and location of remaining lead-zinc mineralization may be determined.

The PEA has been completed to a $\pm 35\%$ 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;

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

- 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% WO₃.

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

- Gravity concentrate at a grade of 75% WO₃;
- Flotation concentrate at a grade of 65% WO₃.

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.

In July 2007 Sultan engaged Wardrop Engineering to undertake an environmental baseline study on the Jersey-Emerald Property. Sultan is aggressively advancing the development of the Jersey-Emerald project with the objective of re-opening this historic tungsten and lead-zinc producer which was formerly owned and operated by Placer Dome.

The environmental assessment will take approximately 14 months to complete and will primarily cover water quality data and biological sampling including fish, invertebrates and habitat description. In conjunction with this environmental baseline study Wardrop are supervising metallurgical studies that are currently underway on the tungsten and molybdenum mineralization.

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 fiscal 2007, with the fiscal 2006 comparative figures shown in brackets, include the following: assays and analysis – Nil (\$53); geological and geophysical – \$987 (\$4,757) and site activities – \$741 (\$1,089). Acquisition costs of \$122 (\$66,158) were incurred. A write-down of the Silver King claims totalled \$72,930 in the period.

Recommendations

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. This program is expected to commence in September 2007

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

and will involve surface sampling, trenching and diamond drilling.

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".

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 reduced the initial three claims to one claim and certain staked claims. The final cash and share payments were made on the Trout Claim Group subsequent to June 30, 2007, pursuant to the option agreement between the Companies and the optionor.

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 \$13,333 and to issue 216,667 common shares in fiscal 2007, of which the cash payment of \$13,333 has been made to the date of this report and 216,667 common shares have been issued. In addition, the Company has acquired surface rights on various claims of land in the Jersey-Emerald area and now hold over 1100 acres of surface rights. The Company wrote off its interest in the Silver King Property, reducing the payments estimated at December 31, 2006.

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 August 24, 2007, gold has averaged US\$659.84 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.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

1.4 Results of Operations

Sultan had a loss of \$414,723, or loss per share of \$0.00 in the six months ended June 30, 2007 (“fiscal 2007”), compared to a loss of \$312,355, or loss per share of \$0.01 in the six months ended June 30, 2006 (“fiscal 2006”).

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Expenses				
Amortization	\$ 505	\$ 583	\$ 1,010	\$ 1,085
Legal, accounting and audit	19,000	5,265	42,526	6,962
Management fees	12,000	13,500	24,000	23,000
Office and administration	19,224	17,138	40,182	41,936
Salaries and benefits	60,274	47,406	131,060	101,047
Shareholder communications	78,858	60,933	133,190	109,601
Stock-based compensation	42,239	71,956	71,122	71,956
Property investigations	993	--	1,903	--
Travel	17,564	29,112	24,386	42,418
Write-down of mineral property interests	72,930	--	72,930	21,646
Interest and other income	(48,322)	(2,992)	(59,414)	(4,168)
	275,265	242,901	482,895	415,483
Loss before income taxes	(275,265)	(242,901)	(482,895)	(415,483)
Income tax recovery	--	--	68,172	103,128
Loss for the period	(275,265)	(242,901)	(414,723)	(312,355)

Revenue

Sultan has no source of revenue. Interest earned on excess cash is incidental income. Interest revenue has increased from \$4,168 in fiscal 2006 to \$59,414 in fiscal 2007 due to significantly higher cash balances and higher interest rates in fiscal 2007 as compared to fiscal 2006.

Expenses

Legal, accounting and audit increased from \$6,962 in fiscal 2006 to \$42,526 in fiscal 2007. Audit fees are accrued throughout the fiscal year. Fees charged for the fiscal 2006 year end were significantly higher than estimated in the accrual, due to the extensive audit work now required, and as a result, expenses are significantly higher in fiscal 2007. The fees incurred in the current period include 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 \$15,000 in each fiscal period. In

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

fiscal 2007 management fees of \$9,000 (2006-\$8,000) 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 \$41,936 in fiscal 2006 to \$40,182 in fiscal 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 fiscal 2007.

Salaries and benefits have increased from \$101,047 in fiscal 2006 to \$131,060 in fiscal 2007. Salaries will likely continue to increase as the shortage of qualified professionals in the mining industry is contributing to increased salary and benefits costs.

In fiscal 2006, there was \$71,956 in stock-based compensation expense, compared with \$71,122 in fiscal 2007. The amount recorded in fiscal 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 \$5,803 were capitalized to the Jersey-Emerald Property in fiscal 2007. 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. These are revalued in each reporting period, using a volatility calculated at the end of each reporting period. .

Shareholder communications have increased from \$109,601 in fiscal 2006 to \$133,190 in fiscal 2007. The Company utilized the services of Arbutus Enterprises Ltd. \$12,000 (2006 - \$12,000) and Horng Kher (Marc) Lee \$18,000 (2006 - \$3,000). Fees paid relating to Sedar which includes filings to the BC Securities Commission and other commissions and TSX Venture filings decreased from \$13,375 in fiscal 2006 to \$10,538 in fiscal 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 \$42,418 in fiscal 2006 to \$24,386 in fiscal 2007. A conference was attended in Colorado in fiscal 2006, in addition to travel costs to the Prospectors and Developers Conference in Toronto, which has attendees annually.

Property investigation costs have increased from \$Nil in fiscal 2006 to \$1,903 in fiscal 2007. Sultan is presented with property submittals continually, and certain 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 fiscal 2006, \$21,646 incurred in exploration costs related to the Coripampa party was written off. In fiscal 2007, \$72,930 incurred in costs related to the Silver King claims at the Kena property was written off in fiscal 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 six months ended June 30, 2007.

The Company also renounced flow through expenditures in the six months ended June 30, 2006, and as a consequence, recognized a reduction in share capital and a recovery of future income taxes of \$103,128 in

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

that period.

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							
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
Second Quarter	671	715,262	14,670	--	251,625	275,265	\$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 includes stock-based compensation.

Note 2: Property acquisition and exploration costs exclude the write-down of mineral property interests.

Three months ended June 30, 2007 (“Q2 2007”) compared to three months ended June 30, 2007 (“Q1 2007”)

Revenue

Sultan has no source of revenue. Interest earned on excess cash is incidental income. Interest revenue has increased from \$2,992 in fiscal Q2 2006 to \$48,322 in Q2 2007 due to significantly higher cash balances and higher interest rates in fiscal 2007 as compared to fiscal 2006.

Expenses

Legal, accounting and audit increased from \$5,265 in Q2 2006 to \$19,000 in Q2 2007. Audit fees are accrued throughout the fiscal year. Fees charged for the fiscal 2006 year end were significantly higher than estimated in the accrual, due to the extensive audit work now required, and as a result, expenses are significantly higher in fiscal 2007.

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 quarter. In Q2 2007 management fees of \$4,500 (Q2 2006-\$6,000) 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.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

Office and administration costs decreased slightly from \$17,138 in Q2 2006 to \$19,224 in Q2 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, but moved to new office space in Q2 2007, contributing to the increase.

Salaries and benefits have increased from \$47,406 in Q2 2006 to \$60,274 in Q2 2007. Salaries will likely continue to increase as the shortage of qualified professionals in the mining industry is contributing to increased salary and benefits costs.

In Q2 2006, there was \$71,956 in stock-based compensation expense, compared with \$42,239 in Q2 2007. The amount recorded in fiscal 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 \$2,903 were capitalized to the Jersey-Emerald Property in Q2 2007.

Shareholder communications have increased from \$60,933 in Q2 2006 to \$78,858 in Q2 2007. The Company utilized the services of Arbutus Enterprises Ltd. \$6,000 (Q2 2006 - \$2006) and Horng Kher (Marc) Lee \$11,000 (2006 - \$3,000). In addition, CHF Investor Communications were paid \$18,000 in Q2 2007.

Travel and conference expenses have decreased from \$29,112 in Q2 2006 to \$17,564 in Q2 2007. A conference was attended in Colorado in Q2 2006 with no comparative conference attended in Q2 2006.

In fiscal 2006, \$21,646 incurred in exploration costs related to the Coripampa party was written off. In fiscal 2007, \$72,930 incurred in costs related to the Silver King claims at the Kena Property was written off in fiscal 2007.

1.6 Liquidity

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through 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 June 30, 2007, Sultan's working capital, defined as current assets less current liabilities, was \$4,127,593, compared with working capital of \$104,559 at December 31, 2006. The Company's cash in excess of current expenditures is held in Guaranteed Investment Certificates.

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 June 30, 2007, Sultan had capitalized \$5,418,068 representing costs associated with the acquisition and exploration of its mineral property interests in British Columbia and Manitoba. During the six months ended June 30, 2007, Sultan's expenditures included \$1,127,061 on the acquisition and exploration of its mineral property interests compared to \$891,759 in the year ended December 31, 2006. A write-down of \$72,930 relating to the Silver King claims forming part of the Kena Property was incurred in the period.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

1.7 Capital Resources

During the six months ended June 30, 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.

Sultan also completed a non-brokered private placement in two tranches for an aggregate 16,523,864 units for gross proceeds of \$3,635,250. Each unit was comprised of one 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 8% of the gross proceeds received) and issued 1,235,000 non-transferable finders' 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. The total value attributed to each of the share purchase warrants was \$0.04. The finders' warrants were valued at a combined value of \$0.07. All warrants were valued using a Black-Scholes pricing model using the following assumptions: weighted average risk free interest rate of 3.95%; volatility factor of 75%; and an average expected life of the warrants of eighteen months.

In the six months ended June 30, 2007, 2,618,650 warrants were exercised at prices ranging from \$0.15 to \$0.30, and 859,875 agent's warrants were exercised at prices ranging from \$0.12 to \$0.18 per common share.

In the six months ended June 30, 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. During the period, 811,000 stock options were exercised at prices ranging from \$0.10 to \$0.17. Subsequent to June 30, 2007, the Company granted 2,440,000 stock options at a price of \$0.45, expiring July 20, 2012, to directors, officers, employees and consultants, vesting pursuant to the terms of the Company's stock option plan.

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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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 June 30, 2007, and up to the date of this report, 1,874,195 share purchase warrants were exercised at prices from \$0.15 to \$0.25, 415,750 agents' warrants were exercised at prices ranging from \$0.12 to \$0.25 and 238,750 stock options were exercised at prices ranging from \$0.10 to \$0.17, to provide \$443,818 to the treasury.

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 does 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 June 30, 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:	Six months ended June 30,	
	2007	2006
LMC Management Services Ltd. (a)	\$ 231,031	\$ 219,216
Lang Mining Corporation (b)	15,000	15,000
Kent Avenue Consulting Ltd. (c)	9,000	8,000
High Visibility Public Relations (d)	--	10,000

Balance receivable from (e):	June 30,	December 31,
	2007	2006
LMC Management Services Ltd.	\$ 62,882	\$ 49,353
Directors and officers	--	2,022
	\$ 62,882	\$ 51,375

Balances payable to (e):		
Directors and officers	\$ 2,222	\$ --

(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.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

- (c) Consulting fees were paid indirectly to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. These fees were paid through LMC, and are also included in the balance for services provided by LMC Management Services. Any amounts payable to Kent Avenue Consulting Ltd. is owed to LMC, and so is included in the net receivable from LMC.
- (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 June 30, 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 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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

loss on the available for sale securities for the six months ended June 30, 2007, was \$1,096, 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 six months ended June 30, 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 August 24, 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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

without par value.

Issued and Outstanding Capital

95,686,468 shares are issued and outstanding

Stock Options Outstanding

Number of Options	Exercise Price	Expiry Date
2,531,250	\$0.17	June 21, 2011
1,575,000	\$0.10	June 10, 2010
2,504,000	\$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
2,440,000	\$0.45	July 20, 2012
9,800,250		

Warrants Outstanding

Number of Warrants	Exercise Price	Expiry Date
105,384	\$0.18	September 16, 2007
775,000	\$0.30	May 30, 2008
1,510,000	\$0.17	February 28, 2008
10,250	\$0.12	February 28, 2008
5,125*	\$0.17	February 28, 2008
555,000	\$0.25	October 18, 2007
291,237	\$0.25	October 18, 2008
276,500**	\$0.25	January 11, 2009
9,198,250	\$0.25	January 11, 2009
289,750	\$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
22,513,428		

*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 six months ended June 30, 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 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

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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 period ended June 30, 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.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures for the three and six months ended June 30, 2007 and have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, was made known to them and reported as required, particularly during the period in which the interim filings were being prepared.

Sultan Minerals Inc.
Three and Six Months Ended
June 30, 2007

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.