SULTAN MINERALS INC.
(an exploration stage company)
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2009 and 2008
(Unaudited – prepared by management)

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

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SULTAN MINERALS INC.

(an exploration stage company)
Balance Sheets
As at June 30, 2009 and December 31, 2008
(Unaudited – prepared by management)

	June 30, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	$ 594,605	$ 408,375
Short-term investments	1,299,240	1,495,695
Accounts receivable	19,522	29,578
Due from related parties (Note 8)	213,325	171,468
Prepaid expenses	14,230	23,326
	2,140,922	2,128,442
Mineral property interests (see schedule) (Notes 3 and 9)	9,056,217	8,756,364
Investments (Note 4)	940	705
Equipment (Note 5)	19,611	30,356
Reclamation deposits	22,170	22,170
	$ 11,239,860	$ 10,938,037
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 175,838	$ 140,384
Due to related parties (Note 8)	24,000	--
Mortgage payable (Note 6)	76,000	85,000
Total liabilities	275,838	225,384
Shareholders' equity		
Share capital (Note 7)	22,284,139	22,027,355
Warrants (Note 7)	584,319	582,974
Contributed surplus	3,035,046	2,374,613
Deficit	(14,936,508)	(14,269,080)
Accumulated other comprehensive loss	(2,974)	(3,209)
	10,964,022	10,712,653
	$ 11,239,860	$ 10,938,037

Commitments (Note 3 (d))

See accompanying notes to financial statements.

Approved by the Directors

"Arthur G. Troup"
Arthur G. Troup

"Sargent H. Berner"
Sargent H. Berner

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

SULTAN MINERALS INC.

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

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Expenses				
Amortization	$ 91	$ 505	$ 365	$ 1,010
Legal, accounting and audit	19,769	11,090	29,960	17,485
Management fees	7,500	15,750	15,000	27,750
Office and administration	40,102	34,049	80,062	63,960
Salaries and benefits	87,704	78,972	171,787	141,559
Shareholder communications	50,251	79,088	91,341	167,369
Stock-based compensation	273,137	125,721	292,242	317,719
Property investigations	1,070	--	2,213	--
Travel	1,265	12,322	3,880	35,046
Interest and other income	7,298	(25,934)	(4,934)	(63,528)
	488,187	331,563	681,916	708,370
Loss before income taxes	(488,187)	(331,563)	(681,916)	(708,370)
Income tax recovery	13,178	8,124	14,488	380,012
Loss for the period	(475,009)	(323,439)	(667,428)	(328,358)
Deficit, beginning of period	(14,461,499)	(13,241,986)	(14,269,080)	(13,237,067)
Deficit, end of period	$ (14,936,508)	$ (13,565,425)	$ (14,936,508)	$ (13,565,425)
Loss per share, basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	102,179,959	101,812,406	102,142,552	100,759,163
Number of common shares outstanding, end of period	123,660,618	101,950,868	123,660,618	101,950,868

Statements of Comprehensive Income
(Unaudited – prepared by management)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Loss for the period before comprehensive income	$ (475,009)	$ (323,439)	$ (667,428)	$ (328,358)
Unrealized gains (losses) on investments	157	157	235	(391)
Comprehensive loss	$ (474,852)	$ (323,282)	$ (667,193)	$ (328,749)

See accompanying notes to financial statements.

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SULTAN MINERALS INC.

(an exploration stage company)
Statements of Shareholders' Equity
Three and six months ended June 30, 2009
(Unaudited – prepared by management)

	Common Shares Without Par Value				Accumulated Other		
	Shares	Amount	Warrants	Contributed Surplus	Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2007	100,226,518	$ 22,050,752	$ 1,166,158	$ 1,297,390	$ (1,018)	$ (13,237,067)	$ 11,276,215
Issued for cash							
Warrants exercised	1,341,500	267,362	(39,305)	--	--	--	228,057
Agent's warrants exercised	14,100	3,152	(1,225)	--	--	--	1,927
Stock options exercised	168,750	35,472	--	(13,534)	--	--	21,938
Issued for mineral property interests and other							
Income tax effect of renunciation of flow-through expenditures	--	(359,383)	--	--	--	--	(359,383)
Surface rights – Jersey-Emerald property	200,000	30,000	--	--	--	--	30,000
Stock-based compensation	--	--	--	548,103	--	--	548,103
Unrealized losses on investments for the year	--	--	--	--	(2,191)	--	(2,191)
Warrants expired, unexercised	--	--	(542,654)	542,654	--	--	--
Loss for the year	--	--	--	--	--	(1,032,013)	(1,032,013)
Balance, December 31, 2008	101,950,868	22,027,355	582,974	2,374,613	(3,209)	(14,269,080)	10,712,653
Issued for cash							
Private placement, less share issue costs	20,000,000	193,560	328,289	--	--	--	521,849
Issued for mineral property interests and other							
Surface rights – Jersey-Emerald property	200,000	9,000	--	--	--	--	9,000
Acquisition – Victory Tungsten property	200,000	10,000	--	--	--	--	10,000
Jersey-Emerald property	250,000	12,500	--	--	--	--	12,500
Agent's compensation	1,060,000	31,800	--	--	--	--	31,800
Shares returned to treasury	(250)	(76)	--	13	--	--	(63)
Stock-based compensation	--	--	--	333,476	--	--	333,476
Unrealized gains on investments for the period	--	--	--	--	235	--	235
Warrants expired, unexercised	--	--	(326,944)	326,944	--	--	--
Loss for the period	--	--	--	--	--	(667,428)	(667,428)
Balance, June 30, 2009	123,660,618	$ 22,284,139	$ 584,319	$ 3,035,046	$ (2,974)	$ (14,936,508)	$ 10,964,022

See accompanying notes to financial statements.

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

SULTAN MINERALS INC.

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

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Cash provided by (used for):				
Operations				
Loss for the period	$ (475,009)	$ (323,439)	$ (667,428)	$ (328,358)
Items not involving cash				
Amortization	91	505	365	1,010
Stock-based compensation	273,137	125,721	292,242	317,719
Future income taxes	(26,356)	(8,124)	(27,666)	(380,012)
Changes in non-cash working capital				
Accounts receivable	4,366	108,933	10,056	102,678
Due to/from related parties	18,384	(39,925)	(8,093)	(36,386)
Prepaid expenses	1,220	(54,949)	9,096	(58,138)
Accounts payable and accrued liabilities	(5,419)	(37,970)	(31,759)	(31,904)
	(209,586)	(229,248)	(423,187)	(413,391)
Investing activities				
Mineral property interests				
Acquisition costs	(21,473)	(8,284)	(26,410)	(18,244)
Exploration and development costs	(21,341)	(629,200)	(114,277)	(998,279)
Redemption of short term investments	283,889	780,000	196,455	200,000
Purchase of equipment	--	--	--	(11,271)
	241,075	142,516	55,768	(827,794)
Financing activities				
Common shares issued for cash	553,649	--	553,649	231,292
Increase (decrease) in cash and cash equivalents during the period	585,138	(86,732)	186,230	(1,009,893)
Cash and cash equivalents, beginning of period	9,467	99,539	408,375	1,022,700
Cash, and cash equivalents, end of period	$ 594,605	$ 12,807	$ 594,605	$ 12,807
Supplemental information				
Shares issued related to mineral property interests	$ 22,500	$ 30,000	$ 22,500	$ 30,000
Stock-based compensation capitalized to mineral property interests	37,505	21,966	41,234	55,776
Future income tax liability capitalized to mineral property interests	13,178	8,124	14,488	20,629
Shares issued for corporate finance fees	31,800	--	31,800	--

See accompanying notes to financial statements.

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Three and six months ended June 30, 2009 and 2008
(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. The Company has not determined whether its mineral property interests contain mineral reserves that are economically recoverable.

The accompanying financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern. As disclosed in the financial statements, the Company has working capital, as at June 30, 2009, of $1,865,084 (December 31, 2008 – $1,903,058) and an accumulated deficit of $14,936,508 (December 31, 2008 – $14,269,080). Working capital is defined as current assets less current liabilities.

The Company has capitalized $9,056,217 (December 31, 2008 - $8,756,364) in acquisition and related costs on the Kena property and the Jersey and Emerald properties.

As a junior resource company, the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. The current financial equity market conditions, the challenging funding environment and the low price of the Company's common shares make it difficult to raise funds by private placements of shares. The junior resource industry has been severely impacted by the world economic situation, as it is considered to be a high-risk investment. There is no assurance that the Company will be successful with any financing ventures. It is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. The Company has sufficient working capital to conduct its operations for the next fiscal year.

The financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

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

2. Accounting policies

Basis of presentation

The accompanying financial statements for the interim periods ended June 30, 2009 and 2008, 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, 2008.

The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the year ended December 31, 2008, and have been consistently followed in the preparation of these financial statements 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, 2009.

(a) Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of IAS 38, Intangible Assets. CICA 1000—Financial Statement Concepts is amended to clarify criteria for recognition of an asset. CICA 3450 – Research and Development Costs is replaced by guidance in CICA 3064. EIC 27 is no longer applicable for entities that have adopted CICA 3064. A number of other EIC abstracts have consequential amendments. AcG 11 –Enterprises in the Development Stage is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. Prior to the adoption of Section 3064, the Company capitalizes costs in the exploration phase relating to acquisition cash costs and fair value common shares issued for mineral property interests. All other exploration expenditures are expensed in the period incurred. The Company has concluded that adoption of this new standard as at January 1, 2009, did not have an impact on the Company's interim financial statements.

(b) Business combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces Section 1581, Business Combinations, and provides the equivalent to IFRS 3, Business Combinations (January 2008). The new section expands the definition of a business subject to an acquisition and establishes significant new guidance on the measurement of consideration given, and the recognition and measurement of assets acquired and liabilities assumed in a business combination. The new section requires that all business acquisitions be measured at the full fair value of the acquired entity at the acquisition date even if the business combination is achieved in stages, or if less than 100% of the equity interest in the acquiree is owned at the acquisition date.

2. Accounting policies (continued)

The measurement of equity consideration given in a business combination will no longer be based on the average of the fair value of the shares a few days before and after the day the terms and conditions have been agreed to and the acquisition announced, but rather at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as a liability will be recognized in earnings and not as an adjustment to the purchase price. Restructuring and other direct cost of a business combination are no longer considered part of the acquisition accounting.

Instead, such costs will be expensed as incurred, unless they constitute the costs associated with issuing debt or equity securities. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. This new section will only have an impact on the Company's financial statements for future acquisitions that may be made in periods subsequent to the date of adoption.

(c) Credit risk and the fair value of financial assets and financial liabilities

On January 20, 2009, the Emerging Issues Committee (EIC) of the Canadian Accounting Standards Board (AcSB) issued EIC Abstract 173, Credit Risk and Fair Value of Financial Assets and Financial Liabilities ("EIC 173"), which establishes that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 should be applied retrospectively without restatement of prior years to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard did not impact the Company's interim financial statements.

(d) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that fiscal 2011 is the changeover date for non-calendar year end publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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. The property is subject to a 3.0% Net Smelter Returns Royalty ("NSR") that can be reduced to 1.5% by making payments of $500,000 and issuing 50,000 common shares. Annual advance royalty payments of $50,000 were to commence in October 2000. In October 2000, an amendment to the agreement extended the commencement of these royalty payments to 2004. In consideration for the extension, 200,000 common shares were issued to the royalty holders. In October 2004, the agreement was further amended to defer commencement of the royalty payments to October 2009, by the issuance of 200,000 common shares to the royalty holders.

In May 2009, the Company entered into an additional amendment to the option agreement to defer the commencement date of the annual royalty payments of $50,000 due to commence in October 2009 by a further four years, in exchange for a one-time payment of 250,000 common shares, and the right to collect mineral specimens from an exposure in the Jersey F Zone workings of the Jersey-Emerald property up to October 20, 2013, for the sole purpose of specimen collection.

Additional claims forming part of the properties include the Tungsten King Prospect, comprised of 17 crown-granted mineral claims. The Company acquired a 100% interest in these claims by issuing 100,000 shares of the Company.

The Company also holds a 100% interest in the Truman Hill and Leroy North properties, additional properties in the Jersey and Emerald property group. The Truman Hill and Leroy north properties are subject to a NSR of 1.5% of which 50.0% can be purchased by issuing 25,000 shares of the Company.

The Jersey and Emerald properties also include (i) a 100% interest in the Summit Gold Property consisting of 4 mineral units and one reverted crown grant, subject to a 2.0% NSR, which the Company has the right to purchase for $500,000 and (ii) a 100% interest in the Jumbo 2 and Boncher crown granted mineral claims.

In June 2006, the Company entered into a purchase agreement to acquire for the Jersey and Emerald properties 100% of the right, title and interest in the surface rights over 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 6 – mortgage payable).

3. Mineral property interests (continued)

In May 2009, the Company acquired 100% of the right and interest in the Victory Tungsten Property, consisting of six reverted crown grants, located approximately six kilometres south of Salmo, British Columbia, Canada. Under the terms of the agreement, the Company made a cash payment of $12,000 and issued 200,000 common shares for the purchase of the property. The property will be subject to a 2.0% NSR, payable to the optionor. The Company has the right to reduce the NSR to 0.5% by making a one-time payment of $150,000 at any time up to and including the commencement of commercial production. If at any time the optionor wishes to sell or assign its NSR, the optionor has agreed to give the Company a 60-day right of first purchase to acquire the NSR, provided that the optionor shall not thereafter offer its NSR to a third party on terms less favourable to the optionor than those offered to the Company.

(c) Mineral Property Interests Commitments

To maintain its mineral property interests, the Company is required to make monthly cash payments in fiscal 2009 of $750 for lease of surface property rights and will be required to make a cash payment of approximately $76,000 related to a mortgage payable (see Note 6) and issue 650,000 common shares in fiscal 2009. This relates to the common shares to be issued on the mortgage payable relating to an acquisition of surface rights.

4. Investments

	Number of Shares	Book Value June 30, 2009	Fair Value June 30, 2009	Fair Value December 31, 2008
Emgold Mining Corporation (Note 9 (d))	15,652	$ 3,913	$ 939	$ 704
Quorum Management and Administrative Services Inc.	1	1	1	1
Total Investments		$ 3,914	$ 940	$ 705

As at June 30, 2009, investments in available-for-sale securities consist of marketable securities which had a market value of $939 (December 31, 2008 - fair value $704, carried at cost of $3,913). On January 1, 2007, the carrying amount of these securities became subject to revaluation on a mark-to-market basis at the end of each reporting period, and the increases or decreases arising on revaluation are recorded in Accumulated Other Comprehensive Income, a component of shareholders' equity. On adoption the transition adjustment was $469. The investment in Quorum Management and Administrative Services Inc. ("Quorum") is not designated as available-for-sale.

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Three and six months ended June 30, 2009 and 2008
(Unaudited – prepared by management)

5. Equipment

	Cost	Accumulated Amortization	Net Book Value, June 30, 2009	Cost	Accumulated Amortization	Net Book Value, December 31, 2008
Office equipment	$ 3,283	$ 3,283	$ --	$ 3,283	$ 2,918	$ 365
Computer equipment	11,856	10,213	1,643	11,856	9,464	2,392
Field and mining equipment	49,614	43,533	6,081	49,614	38,280	11,334
Vehicles	26,271	14,384	11,887	26,271	10,006	16,265
	$ 91,024	$ 71,413	$ 19,611	$ 91,024	$ 60,668	$ 30,356

6. 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 paid in cash and 200,000 common shares issued. Thereafter, payments are to be made as follows: on June 1, 2007, up to 200,000 common shares (issued); on June 1, 2008, up to 200,000 common shares (issued) and on June 1, 2009, up to 200,000 common shares (issued).

The common shares referred to above were 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 was 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 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 cash portion of the mortgage payable is estimated by the number of shares to be issued in June 2009 and valued using the closing market price for the common shares of the Company at June 30, 2009, of $0.08 (December 31, 2008 - $0.04). Based on the June 30, 2009, price for the common shares of $0.04 (December 31, 2008 - $0.04), the final cash payment to the seller will be $68,000 (December 31, 2008 - $77,000). Any amount resulting from the difference between the recorded prices of the common shares issued and the Valuation Date of October 2, 2009, will be recorded as an adjustment to the balance payable with a corresponding amount recorded in operations. A debt financing adjustment of $18,000 was recorded in the year ended December 31, 2008.

6. Long-term debt (continued)

		June 30, 2009		December 31, 2008
Long-term debt, beginning of period	$	85,000	$	97,000
Less payments made in common shares on valuation date		(9,000)		(12,000)
Long-term debt, end period		76,000		85,000
Current portion of long-term debt	$	76,000	$	85,000

7. 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, 2009, the Company completed a brokered private placement with Northern Securities Inc. (the "Agent") of 20,000,000 units at a price of $0.03 per unit, for gross proceeds of $600,000. Each unit was comprised of one (1) common share and two-thirds (2/3) of one non-transferable share purchase warrant. Each whole warrant will be exercisable into one common until June 30, 2014, at an exercise price of $0.06 per share up to June 30, 2010, and at an exercise price of $0.12 per share thereafter. The warrants were valued using a B-S pricing model using the following assumptions: weighted average risk free interest rate – 2.1% to 2.4%; a weighted volatility factor of 106%, and an expected life of five years. The value allocated to each of the warrants was $0.01.

The fair value attributable to each of the 2,247,600 agent's options exercisable until June 30, 2010, at an exercise price of $0.05; 706,666 agent's warrants and 1,498,400 underlying agent's warrants exercisable at $0.06 for one year, and $0.12 for the four years thereafter, ranges from $0.03 to $0.06, using the volatility factors and interest rates based on the expected life of the warrants as noted above. These non-cash share issue costs are recorded against the share capital and warrants issued in the financing.

If, for 10 consecutive trading days at any time during the period that is four months plus one day following the issue of the warrants, the closing common share price for each of the 10 trading days is $0.20 or more, then the exercise period of the warrants may, at the discretion of the Company, be shortened to a period of 30 days from the date of a notice provided by the Company to each warrant holder advising the warrant holders of the accelerated expiry.

Insiders of the Company subscribed for a total of 3,932,661 units.

7. Share capital (continued)

(c) Stock options

The Company has a stock option plan which allows for the grant of options to purchase up to 20,390,173 common shares. The following table summarizes information about the stock options outstanding at June 30, 2009:

Weighted Average Exercise Price	Number Outstanding at June 30, 2009	Weighted Average Remaining Contractual Life
$0.10	1,500,000	0.9 years
$0.15	2,379,000*	0.2 years
$0.17	2,500,000	2.0 years
$0.45	2,334,000	3.1 years
$0.29	2,835,000	3.3 years
$0.29	200,000	3.7 years
$0.10	6,000,000	5.0 years
$0.20	17,748,000	3.0 years

*Subsequent to June 30, 2009, 2,379,000 stock options exercisable at $0.15, with an expiry date of July 6, 2009, expired, unexercised.

A summary of the changes in stock options for the six months ended June 30, 2009 are presented below:

	Shares	Weighted Average Exercise Price
Balance, December 31, 2008	11,748,000	$0.24
Granted	6,000,000	$0.10
Balance, June 30, 2009	17,748,000	$0.20
Balance vested, June 30, 2009	17,278,000	$0.20

A summary of the fair values of stock options granted during the year, estimated on the date of grant and using the Black-Scholes ("B-S") option-pricing model with weighted average assumptions, is as follows:

	Six months ended June 30,	
	2009	2008
Risk free interest rate	2.0%	2.6%
Expected life (years)	3.5 years	5 years
Expected volatility	102%	85%
Weighted average fair value per option grant	$0.05	$0.05

The B-S option valuation model was developed for use in estimating the fair value of traded options that are fully transferable and have no vesting restrictions. The Company's stock options are not transferable and cannot be traded. The B-S model also requires an estimate of expected volatility. The Company uses historical volatility rates of the Company to arrive at an estimate of expected volatility. Unvested consultants' options granted in the six months ended June 30, 2009, have been revalued, with no changes to the weighted average fair value per grant from that at the time of grant.

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Three and six months ended June 30, 2009 and 2008
(Unaudited – prepared by management)

7. Share capital (continued)

(e) Share purchase warrants

As at June 30, 2009, 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
3,803,000	$0.50	December 12, 2009
319,300	$0.50	December 12, 2009
13,333,333	$0.06/$0.12	June 30, 2010/2014
706,666	$0.06/$0.12	June 30, 2010/2014
2,247,600	$0.05	June 30, 2014
1,498,400	$0.06/$0.12	June 30, 2010/2014
21,908,299	$0.14 (using 2010 expiry values)	

* During the six months ended June 30, 2009, 9,764,500 warrants and underlying warrants with exercise prices ranging from $0.16 to $0.25, expired unexercised.

The following table summarizes changes in the number of warrants outstanding:

	Warrants	Weighted Average Exercise Price
Balance, December 31, 2008	13,886,800	$0.32
Issued	17,785,999	$0.06
Expired	9,764,500	$0.25
Balance, June 30, 2009	21,908,299	$0.14

8. Related party transactions and balances

Services rendered and reimbursement of expenses:	Six months ended June 30, 2009	2008
Quorum Management and Administrative Services Inc. (a)	$ 246,336	$ 247,350
Lang Mining Corporation (b)	15,000	15,000
Kent Avenue Consulting Ltd. (c)	--	12,750
Directors' fees	24,000	--

Balances receivable from (e):	June 30, 2009	December 31, 2008
Quorum Management and Administrative Services Inc. (a)	$ 213,325	$ 171,468
Balances payable to (e):		
Directors	$ 24,000	$ --

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Three and six months ended June 30, 2009 and 2008
(Unaudited – prepared by management)

8. Related party transactions and balances (continued)

(a) Management, administrative, geological and other services have been provided by Quorum Management and Administrative Services Inc. ("Quorum"), formerly LMC Management Services Ltd., since August 1, 2001. Quorum is 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. Currently, the Company has a 25% interest in Quorum. There is no difference between the cost of $1 and equity value (See Note 5). Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement, and at June 30, 2009, the Company had advanced four months of working capital. The contractual agreement provides for the issuance of shares in the capital of the Company to Quorum, cease of services, or provision of security to the non-defaulting shareholders of Quorum. No determination of settlement has been finalized with the Company and the other shareholders of Quorum, pursuant to the 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 are paid or accrued through Quorum, and are also included in the balance for 'services provided by Quorum'. Any amount owing to Kent Avenue Consulting Ltd. is owed by Quorum.

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

(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.

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Six months ended June 30, 2009
(Unaudited – prepared by management)
Note 9: Mineral Property Interests

	Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Mineral Property Interests June 30, 2009
Acquisition costs				
Balance, beginning of period	$ 512,065	$ 523,581	$ 1	$ 1,035,647
Incurred during the period	2,809	46,101	--	48,910
Balance, end of period	514,874	569,682	1	1,084,557
Exploration and development costs				
Incurred during the year				
Assays and analysis	--	17,050	--	17,050
Drilling	--	82,444		82,444
Geological and geophysical	5,756	54,993	--	60,749
Site activities	1,171	27,664	--	28,835
Stock-based compensation	--	55,722	--	55,722
Travel and accommodation	1,031	5,112	--	6,143
	7,958	242,985	--	250,943
Balance, beginning of period	2,792,648	4,928,069	--	7,720,717
Balance, end of period	2,800,606	5,171,054	--	7,971,660
Total Mineral Property Interests	$ 3,315,480	$ 5,740,736	$ 1	$ 9,056,217

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

SULTAN MINERALS INC.

(an exploration stage company)
Notes to Financial Statements
Year ended December 31, 2008
(Unaudited – prepared by management)
Note 9: Mineral Property Interests

	Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Mineral Property Interests December 31, 2008
Acquisition costs				
Balance, beginning of year	$ 503,483	$ 502,616	$ 37,438	$ 1,043,537
Incurred during the year	8,582	20,965	--	29,547
Write-downs during the year	--	--	(37,437)	(37,437)
Balance, end of year	512,065	523,581	1	1,035,647
Exploration and development costs				
Incurred during the year				
Assays and analysis	16,264	196,083	--	212,347
Drilling	--	604,017	--	604,017
Engineering	--	15,000	--	15,000
Environmental	--	108,172	--	108,172
Geological and geophysical	32,315	395,952	--	428,267
Site activities	6,039	143,531	--	149,570
Stock-based compensation	--	97,553	--	97,553
Travel and accommodation	3,917	70,679	--	74,596
	58,535	1,630,987	--	1,689,522
Balance, beginning of year	2,734,113	3,297,082	45,372	6,076,567
Write-downs during the year	--	--	(45,372)	(45,372)
Balance, end of year	2,792,648	4,928,069	--	7,720,717
Total Mineral Property Interests	$ 3,304,713	$ 5,451,650	$ 1	$ 8,756,364