

SULTAN MINERALS INC.
(an exploration stage company)
CONDENSED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2015

The accompanying condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements.

SULTAN MINERALS INC.

(an exploration stage company)

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

| | June 30, 2015 (Unaudited) | December 31, 2014 |
|---|---------------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 6,041 | \$ 7,030 |
| Short-term investments (Note 5) | 306,000 | 531,000 |
| Receivables | 12,147 | 4,004 |
| Prepaid expenses | 6,120 | 9,452 |
| Total current assets | 330,308 | 551,486 |
| Exploration and evaluation assets (Note 4) | 5,889,077 | 5,889,032 |
| Credit card deposit (Note 6) | 17,250 | 17,250 |
| Reclamation deposits | 30,120 | 30,120 |
| Total assets | \$ 6,266,755 | \$ 6,487,888 |
| Liabilities and Equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 8) | \$ 33,085 | \$ 57,337 |
| Total liabilities | 33,085 | 57,337 |
| Equity | | |
| Share capital | 22,861,534 | 22,861,534 |
| Warrants reserve | 429,049 | 429,049 |
| Share-based payments reserve | 3,505,692 | 3,505,692 |
| Deficit | (20,562,605) | (20,365,724) |
| Total equity | 6,233,670 | 6,430,551 |
| Total liabilities and equity | \$ 6,266,755 | \$ 6,487,888 |

Going concern (Note 2)

Commitment (Note 10)

Approved on Behalf of the Board of Directors:

/s/ "Arthur G. Troup"

Arthur G. Troup, Director

/s/ "Robin Merrifield"

Robin Merrifield, Director

SULTAN MINERALS INC.

(an exploration stage company)

Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited) (Expressed in Canadian dollars)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|---------------------|------------------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Expenses | | | | |
| Exploration Costs | \$ 2,143 | \$ - | \$ 4,093 | \$ - |
| Insurance | 813 | - | 1,626 | - |
| Interest and other (recoveries) | (364) | - | (150) | - |
| Legal, accounting and audit | 9,949 | 9,450 | 16,449 | 16,950 |
| Management fees | - | 1,500 | - | 3,000 |
| Meals and entertainment | 147 | - | 147 | - |
| Office and administration | 16,154 | 22,056 | 47,600 | 47,909 |
| Salaries and benefits | 41,389 | 45,990 | 87,526 | 95,048 |
| Share-based payments | - | - | - | - |
| Shareholder communications | 23,378 | 18,862 | 42,502 | 38,824 |
| Travel and conferences | 391 | - | 1,820 | - |
| | 94,000 | 97,858 | 201,613 | 201,731 |
| Loss before other items | (94,000) | (97,858) | (201,613) | (201,731) |
| Gain on disposal of equipment | - | - | 3,000 | - |
| Interest income | 382 | 1,414 | 1,732 | 1,414 |
| Impairment loss on short-term investments | - | (3,913) | - | (3,913) |
| Unrealized gain or (loss) on short-term investments | - | - | - | 30,000 |
| Net loss | (93,618) | (100,357) | (196,881) | (174,230) |
| Other comprehensive income (loss) item that may be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain or (loss) on available-for-sale financial assets | - | - | - | 32 |
| Comprehensive loss | \$ (93,618) | \$ (100,357) | \$ (196,881) | \$ (174,198) |
| Loss per share, basic and diluted | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted average number of common shares outstanding – basic and diluted | 134,771,918 | 134,771,918 | 134,771,918 | 134,771,918 |

SULTAN MINERALS INC.

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Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited) (Expressed in Canadian dollars)

| | Common Shares Without Par Value | | Warrants Reserve | Share- based Payments Reserve | Accumulated Other Comprehensive Loss | Deficit | Total Equity |
|----------------------------|------------------------------------|---------------|---------------------|--|---|-----------------|--------------|
| | Shares | Amount | | | | | |
| Balance, December 31, 2013 | 134,771,918 | \$ 22,861,534 | \$ 429,049 | \$ 3,505,692 | \$ (3,886) | \$ (19,875,583) | \$ 6,916,806 |
| Other comprehensive income | – | – | – | – | 3,886 | – | 3,886 |
| Net loss for the period | – | – | – | – | – | (174,230) | (174,230) |
| Balance, June 30, 2014 | 134,771,918 | \$ 22,861,534 | \$ 429,049 | \$ 3,505,692 | \$ – | \$ (20,049,813) | \$ 6,746,462 |
| Balance, December 31, 2014 | 134,771,918 | \$ 22,861,534 | \$ 429,049 | \$ 3,505,692 | \$ – | \$ (20,365,724) | \$ 6,430,551 |
| Net loss for the period | – | – | – | – | – | (196,881) | (196,881) |
| Balance, June 30, 2015 | 134,771,918 | \$ 22,861,534 | \$ 429,049 | \$ 3,505,692 | \$ – | \$ (20,562,605) | \$ 6,233,670 |

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

SULTAN MINERALS INC.

(an exploration stage company)

Condensed Interim Statements of Cash Flows

(Unaudited) (Expressed in Canadian dollars)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|--------------|------------------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Cash provided by (used in) | | | | |
| Operations | | | | |
| Net loss | \$ (93,618) | \$ (100,357) | \$ (196,881) | \$ (174,230) |
| Items not involving cash: | | | | |
| Gain on sale of equipment | – | – | (3,000) | – |
| Unrealized gain or (loss) on investments | – | – | – | (30,000) |
| Impairment loss on short-term investment | – | 3,917 | – | 3,917 |
| Changes in non-cash operating working capital | | | | |
| Receivables | (6,892) | (8,573) | (8,143) | 13,602 |
| Accounts payable to related parties | (4,750) | (95,500) | – | (91,000) |
| Prepaid expenses | (1,594) | (807) | 3,332 | (575) |
| Accounts payable and accrued liabilities | (17,787) | (6,999) | (24,252) | (67,592) |
| | (124,641) | (208,319) | (228,944) | (345,878) |
| Investing | | | | |
| Proceeds from sale of equipment | – | – | 3,000 | – |
| Exploration and evaluation costs | (45) | (10,379) | (45) | (21,599) |
| Mineral property option payments received | – | 500,000 | – | 650,000 |
| Short-term investments in GICs redeemed | 120,000 | – | 225,000 | – |
| Short-term investments in GICs purchased | – | (300,000) | – | (300,000) |
| | 119,955 | 189,621 | 227,955 | 328,401 |
| Financing | | | | |
| Loan from related party | – | (15,000) | – | (15,000) |
| | – | (15,000) | – | (15,000) |
| Decrease in cash | (4,686) | (33,698) | (989) | (32,477) |
| Cash, beginning of period | 10,727 | 33,910 | 7,030 | 32,689 |
| Cash, end of period | \$ 6,041 | \$ 212 | \$ 6,041 | \$ 212 |
| Supplemental information | | | | |
| Interest paid | – | – | – | – |
| Interest received | 382 | 1,414 | 1,732 | 1,414 |
| Income tax paid | – | – | – | – |

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

SULTAN MINERALS INC.

(an exploration stage company)

Notes to Condensed Interim Financial Statements

Three months and six months period ended June 30, 2015

(Unaudited) (Expressed in Canadian dollars)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Sultan Minerals Inc. (the "Company"), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol SUL. The address of the Company's corporate office and its principal place of business is 1066 West Hastings Street, Suite 2000, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

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

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements, with the exception to any changes in accounting policies as described in Note 3. These condensed interim financial statements do not contain all the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with our most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

The financial statements were authorized for issuance by the Board of Directors on August 21, 2015.

b) Going Concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the next fiscal year. The Company has incurred losses since its inception and had an accumulated deficit of \$20,562,605 at June 30, 2015, which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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Notes to Condensed Interim Financial Statements

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(Unaudited) (Expressed in Canadian dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards and Amendments Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2015.

The following standard will be adopted by the Company effective January 1, 2017:

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.

The following standard will be adopted effective January 1, 2018:

IFRS 9 – Financial Instruments: Classification and Measurement

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

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(Unaudited) (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

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

| | KENA PROPERTY, BRITISH COLUMBIA | JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA | TOTAL 2015 |
|---|------------------------------------|--|--------------------|
| Acquisition costs | | | |
| As at January 1, 2015 | \$ 40,213 | \$ - | \$ 40,213 |
| Incurred during the period | 45 | - | 45 |
| As at June 30, 2015 | 40,258 | - | 40,258 |
| Exploration and evaluation costs | | | |
| As at January 1, 2015 and June 30, 2015 | 2,748,819 | 3,100,000 | 5,848,819 |
| Balance, June 30, 2015 | \$ 2,789,077 | \$ 3,100,000 | \$5,889,077 |

| | KENA PROPERTY, BRITISH COLUMBIA | JERSEY AND EMERALD PROPERTIES, BRITISH COLUMBIA | TOTAL 2014 |
|---|------------------------------------|--|--------------------|
| Acquisition costs | | | |
| As at January 1, 2014 | \$ 40,091 | \$ - | \$ 40,091 |
| Incurred during the year | 122 | - | 122 |
| As at December 31, 2014 | 40,213 | - | 40,213 |
| Exploration and evaluation costs | | | |
| Incurred during the year | | | |
| Site activities | 12,007 | - | 12,007 |
| Options proceeds received | (227,500) | (900,000) | (1,127,500) |
| | (215,493) | (900,000) | (1,115,493) |
| As at January 1, 2014 | 2,964,312 | 4,000,000 | 6,964,312 |
| As at December 31, 2014 | 2,748,819 | 3,100,000 | 5,848,819 |
| Balance, December 31, 2014 | \$ 2,789,032 | \$ 3,100,000 | \$5,889,032 |

a) Kena Property, Ymir, British Columbia, Canada

The Kena Property is comprised of the original Kena claims and additional properties under option. The properties are contiguous. Kena property is located near the community of Ymir in southeastern British Columbia.

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Notes to Condensed Interim Financial Statements

Three months and six months period ended June 30, 2015

(Unaudited) (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Option Agreement with Altair Gold Inc. (formerly Altair Ventures Inc.)

On December 30, 2011, the Company entered into an option Letter Agreement with Altair Gold Inc. ("Altair"), which was amended on December 28, 2012, June 30, 2013, December 3, 2013 and July 23, 2014. Under the amended terms, Altair has an option to earn a 60% interest in 7,000 hectares of mineral claims that comprise the Kena and Toughnut portions of the Company's Kena Gold-Copper Property (the "Project") in British Columbia by making cumulative option payments totaling \$2,400,000 and issuing 3,666,667 shares of Altair. On December 5, 2014, the agreement with Altair was terminated by both parties due to difficult funding environment. As at December 31, 2014, the Company received \$1,057,500 in cash and in 2,000,000 shares in cumulative option payments from Altair, which were deducted from the acquisition and exploration costs for the Kena and Toughnut portions of the Company's Kena Property.

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

The Company holds a 100% interest in the Jersey Claim Group located near Salmo, British Columbia. The property is comprised of the original 28 crown granted mineral claims, four 2-post claims and 80 mineral units acquired by option in 1993 and several additional properties acquired by staking or by option. Additional claims forming part of the properties include the Tungsten King Prospect consisting of 14 crown-granted mineral claims, the Truman Hill and Leroy North properties consisting of 17 mineral units, the Summit Gold Property consisting of 4 mineral units and 1 reverted crown grant, the Jumbo 2 and Boncher crown grants, the Invincible Tungsten Mine Tenure Number 2345, the Victory Tungsten Property consisting of 6 reverted crown grants, the Aspen Silver Mine comprised of 7 mineral claims, and approximately 10,000 hectares of adjacent staked mineral tenures.

The Property is subject to various NSR's associated with the various claims. In particular, the Jersey property is subject to a 3.0% NSR that can be reduced to 1.5% by making payments of \$500,000 and issuing 50,000 common shares. Annual advance royalty payments of \$50,000 were to commence in October 2000. The agreement was amended in October 2000, 2004, 2009, and May 2009 extending the commencement of these royalty payments to October 20, 2013.

The first annual royalty payment was due in 2013. The Company has paid the \$50,000 annual royalties. Any subsequent royalty payments are now the responsibility of Margaux Resources Ltd.

During 2014, the Company entered into an option agreement with Margaux Resources Ltd. ("Margaux") to option its 100% interest in the Jersey and Emerald Properties (excluding the Garnet, HB, and HB2 Lead-Zinc Property) for total proceeds of \$4,000,000 over the next three years. The agreement was later amended on March 9, 2015 and June 30, 2015.

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(Unaudited) (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

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

Under the terms of the amended agreement, to exercise the Option and earn its 100% interest in the Project, Margaux will:

i) make the following cash payments to the Company:

- (A) deposit of \$50,000 (received);
- (B) on or before January 24, 2014, \$150,000 (received);
- (C) on or before January 24, 2014, \$300,000 (received);
- (D) on or before November 8, 2014, \$400,000 (received);
- (E) on or before August 31, 2015, \$350,000
- (F) on or before November 8, 2015, \$625,000; and
- (G) at the earlier of twelve months from the date of the close of financing by Margaux or the commencement of small scale mining at the Jersey Emerald, \$625,000
- (H) on or before November 8, 2016, \$1,500,000;

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

The property is carried at the estimated recoverable amount of \$4,000,000 less option payment proceeds received. Any further property costs incurred by the Company are recorded as exploration expenses in the statement of loss and comprehensive loss.

5. SHORT-TERM INVESTMENTS

Short-term investments are summarized as follows:

| | Number of Shares | Historical Cost | Redemption | Fair Value June 30, 2015 | Fair Value December 31, 2014 |
|-------------------------------|------------------------|--------------------|--------------|--------------------------------|------------------------------------|
| Altair Gold Inc. (Note 4 (a)) | 2,000,000 | \$ 257,500 | \$ – | \$ 20,000 | \$ 20,000 |
| GICs | – | 406,000 | (120,000) | 286,000 | 511,000 |
| Total Investments | | \$ 663,500 | \$ (120,000) | \$ 306,000 | \$ 531,000 |

These investments are classified as fair value though profit or loss and measured at fair value with fair value gains and losses recognized in income.

6. CREDIT CARD DEPOSIT

The amount of \$17,250 at June 30, 2015 (December 31, 2014 - \$17,250) represents a three-year guaranteed investment certificate with interest at prime minus 1.95% (2014 – 1.95%), held by the bank as security for the Company's credit card usage and is classified as restricted cash.

SULTAN MINERALS INC.

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Notes to Condensed Interim Financial Statements

Three months and six months period ended June 30, 2015

(Unaudited) (Expressed in Canadian dollars)

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and Outstanding

See Statements of Changes in Equity.

c) Stock Options

The Company has a stock option plan which allows for the grant of options to purchase up to 20,390,173 common shares. The following table summarizes information about the stock options outstanding at June 30, 2015:

| Weighted Average Exercise Price | Number Outstanding at June 30, 2015 | Weighted Average Remaining Contractual Life |
|--|--|--|
| \$0.10 | 6,425,000 | 2.3 years |

A summary of stock options for the period ended June 30, 2015 is presented below:

| | Number of Options | Weighted Average Exercise Price |
|--|--------------------------|--|
| Balance, December 31, 2014 and June 30, 2015 | 6,425,000 | \$0.10 |
| Balance vested, June 30, 2015 | 6,425,000 | \$0.10 |

e) Shareholder Rights Plan

The Company's Board of Directors adopted a Shareholder Rights Plan on September 23, 2013.

The Shareholder Rights Plan has been designed to protect shareholders from unfair, abusive or coercive take-over strategies including the acquisition of control of the Company by a bidder in a transaction or series of transactions that may not treat all shareholders fairly nor afford all shareholders an equal opportunity to share in the premium paid upon an acquisition of control. The Shareholder Rights Plan was adopted to provide the Board with sufficient time, in the event of a public take-over bid or tender offer for the common shares, to pursue alternatives which could enhance shareholder value.

This Shareholder Rights Plan is not being adopted in response to any proposal to acquire control of the Company.

The Rights will not, however, be triggered by a "Permitted Bid", which is defined as a bid which is outstanding for a minimum of 60 days made to all of the shareholders of the Company for all of their common shares and, subject to other specified conditions, is accepted by a majority of independent shareholders (as detailed in the Rights Plan).

SULTAN MINERALS INC.

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Three months and six months period ended June 30, 2015

(Unaudited) (Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

| | June 30, 2015 | December 31, 2014 |
|---------------------|------------------|----------------------|
| Accounts payable | \$ 1,370 | \$ 1,337 |
| Accrued liabilities | 31,715 | 56,000 |
| | \$ 33,085 | \$ 57,337 |

9. RELATED PARTY TRANSACTIONS AND BALANCES

| Services rendered: | Six months ended June 30, 2015 | 2014 |
|---|-----------------------------------|------------------|
| Lang Mining Corporation (a) | \$ – | \$ 3,000 |
| Directors' fees (included in office and administration) | 9,075 | 6,500 |
| Shareholder communications (b) | 36,000 | 36,000 |
| Salaries (b) | \$ 87,526 | \$ 56,611 |

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

- a) Lang Mining Corporation ("Lang Mining") is a private company controlled by the former chairman and director of the Company. Lang Mining received a management fee of \$Nil (June 30, 2014 – \$1,500) for the services of Frank A. Lang, a former chairman and director of the Company.
- b) Key management personnel compensation.

10. COMMITMENT

On October 1, 2014, the Company signed an office lease agreement in which the Company is committed to make \$3,108 monthly lease payments for one year starting November 1, 2014. Subsequent to June 30, 2015, Sultan has given a notice to its landlord that the Company will be vacating the office space at the end of the lease, which is on October 31, 2015.