

SULTAN MINERALS INC.
INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(Unaudited)

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)

Interim Balance Sheets

(Unaudited – prepared by management)

	September 30, 2005	December 31, 2004
Assets		
Current assets		
Cash and cash equivalents	\$ 289,745	\$ 428,793
Accounts receivable	15,796	10,126
Due from related parties (Note 6)	73,066	21,953
Prepaid expenses	10,747	20,280
	389,354	481,152
Mineral property interests (see schedules) (Note 3)	3,658,550	3,280,334
Investments (Note 4)	3,914	3,914
Equipment	3,548	1,356
Reclamation bonds	57,177	51,287
	\$ 4,112,543	\$ 3,818,043
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 176,332	\$ 144,435
Due to related parties (Note 6)	9,483	--
	185,815	144,435
Shareholders' equity		
Share capital (Note 5)	14,309,435	13,804,266
Contributed surplus	433,572	255,469
Deficit	(10,816,279)	(10,386,127)
	3,926,728	3,673,608
	\$ 4,112,543	\$ 3,818,043

Subsequent events (Notes 5 and 8)

See accompanying notes to financial statements.

Approved by the Directors



Arthur G. Troup



Frank A. Lang

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SULTAN MINERALS INC.

(an exploration stage company)

Statements of Operations and Deficit

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Expenses				
Amortization	\$ 248	\$ --	\$ 586	\$ 843
Legal, accounting and audit	9,046	17,726	13,191	37,540
Management fees	7,500	7,500	22,500	22,500
Office and administration	22,890	15,814	65,326	62,801
Salaries and benefits	22,686	22,903	114,144	90,640
Shareholder communications	25,413	27,398	68,764	122,488
Stock-based compensation	12,795	148,461	163,597	148,462
Property investigations	(217)	195	1,047	4,335
Travel	--	--	17,458	25,052
Write-down of mineral property interest	25,308	--	25,308	--
Interest and other income	(418)	(158)	(1,215)	(1,644)
	125,251	239,839	490,716	513,017
Loss before income tax recovery	(125,251)	(239,839)	(490,716)	(513,017)
Income tax recovery (Note 5 (c))	--	--	60,554	--
Loss for the period	(125,251)	(239,839)	(430,152)	(513,017)
Deficit, beginning of period	(10,691,028)	(10,004,929)	(10,386,127)	(9,731,751)
Deficit, end of period	\$ (10,816,279)	\$ (10,244,768)	\$ (10,816,279)	\$ (10,244,768)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	49,442,222	41,702,625	47,039,062	40,495,364
Number of common shares outstanding at end of period	51,487,909	41,706,248	51,487,909	41,706,248

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

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Cash provided by (used for):				
Operations				
Loss for the period	\$ (125,251)	\$ (239,839)	\$ (430,152)	\$ (513,017)
Items not involving cash				
Amortization	247	--	586	843
Stock-based compensation	12,795	148,462	163,597	148,462
Future income tax recovery	--	--	(60,554)	--
Write-down of mineral property interests	25,308	--	25,308	--
Changes in non-cash working capital				
Accounts receivable	1,369	6,865	54,330	11,290
Due to/from related parties	(119,164)	(70,595)	(41,630)	42,636
Prepaid expenses	498	30,792	9,533	12,297
Accounts payable and accrued liabilities	116,415	(38,135)	31,897	(23,237)
	(87,783)	(162,450)	(247,085)	(320,726)
Investing activities				
Mineral property interests				
Acquisition costs	18,981	(18,925)	(6,352)	(85,819)
Exploration and development costs	(200,398)	(80,422)	(349,823)	(117,924)
Purchase of equipment	(2,778)	--	(2,778)	--
Reclamation bonds	--	(28,067)	(5,890)	(28,067)
	(184,195)	(127,414)	(364,843)	(231,810)
Financing activities				
Common shares issued for cash	303,266	--	532,880	335,425
Increase (decrease) in cash and cash equivalents during the period				
	31,288	(289,864)	(79,048)	(217,111)
Cash and cash equivalents, beginning of period				
	258,457	339,825	368,793	267,072
Cash and cash equivalents, end of period				
	\$ 289,745	\$ 49,961	\$ 289,745	\$ 49,961
Supplemental information				
Shares issued for mineral property interests	\$ 1,583	\$ 2,333	\$ 32,843	\$ 36,983
Shares issued for corporate finance fee	--	--	--	525

See accompanying notes to financial statements.

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SULTAN MINERALS INC.

(an exploration stage company)

Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

1. Going concern and nature of operations:

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

These financial statements have been prepared on a going-concern basis, which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, these financial statements do not reflect adjustments to the carrying value of assets and liabilities and balance sheet classifications used that would be necessary if going concern assumptions were not appropriate. Some adjustments could be material.

As disclosed in the financial statements, the Company has working capital as at September 30, 2005, of \$203,539 (December 31, 2004 - \$336,717) and an accumulated deficit of \$10,816,279 (December 31, 2004 - \$10,386,127).

The Company has capitalized \$3,658,550 in acquisition and related costs on the Kena property, the Jersey and Emerald properties, the Stephens Lake property, and the Coripampa properties.

Without additional external funding to meet existing obligations and to finance further exploration and development work on its mineral properties, there is substantial 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 financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable mining operations or obtain adequate financing.

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.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Basis of presentation:

The interim financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable to interim financial statements. They follow accounting policies and methods of their application consistent with the annual financial statements as at December 31, 2004, but they do not conform in all respects with the disclosure requirements of generally accepted accounting principles for annual financial statements. Accordingly, they should be read in conjunction with the Company's December 31, 2004, annual financial statements.

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Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

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. Option payments made during the nine months ended September 30, 2005, include:

Cariboo Claims

The Company holds an option agreement to earn 100% in five claim units, the Cariboo claims, located north of Ymir in southeastern British Columbia and contiguous to the Kena Claims. To earn its interest, the Company must make cash payments totalling \$52,500 (\$17,500 paid) and issue 200,000 common shares (175,000 issued) over four years. In January 2005 the Company and the optionor agreed to defer cash payments due in 2004 and 2005 for one year each in exchange for the acceleration of one half of the 2005 common share payment of 25,000 common shares. The December 2004 share payment and the accelerated share payment were made in February 2005. A further 200,000 common shares of the Company are to be issued upon receipt of a positive feasibility study. A Net Smelter Returns royalty ("NSR") of 3.0% from production of gold and 1.5% from production of other metals is payable to the optionor. The Company has the right to purchase 66⅔% of the NSR for \$1,000,000 upon commencement of commercial production.

Athabasca Claim Group

The Company entered into an option agreement to acquire the Athabasca Claim Group consisting of ten reverted crown grants and three located claims, located near Ymir, British Columbia. The agreement allows the Company to obtain a 100% interest in the property by making payments of \$50,000 (\$15,000 paid) and issuing 200,000 common shares (175,000 issued) to the optionor over a three-year period. In March 2005 the Company and the optionor agreed to defer cash payments due in 2005 and 2006 for one year each in exchange for the acceleration of one half of the 2006 common share payment of 50,000 common shares. The December 2004 share payment and the accelerated share payment were made in April 2005. Upon completion of the obligations, the Company will hold a 100% interest in the property subject only to a 3.0% NSR from the production of gold and silver and a 1.5% NSR from the production of other metals. The Company has the right to purchase 67% of the NSR by the payment of \$1,000,000 to the optionor upon the commencement of commercial production.

Silver King Claim Group

The Company holds an option agreement to earn 100% interest in 24 crown grants and two claims held by record, known as the Silver King Claim Group of properties, located contiguous to the Kena Claims, in the Kootenay mining district of British Columbia. The terms of the option are that the Company must make total cash payments of \$140,000 (\$33,500 paid) and issue 250,000 common shares (215,000 issued) to the optionor over four years from July 9, 2003.

Daylight Claims

The Company holds an option agreement to earn 87.5% in eight crown granted mineral claims, the Daylight claims, located contiguous to the Kena Claims, in the Kootenay mining district of British Columbia. The terms of the option are that the Company must make total cash payments of \$52,500 (\$30,625 paid) and issue 175,000 common shares (131,250 issued) to the optionors over three years from November 18, 2002. Upon completion of the obligations, the Company will hold an 87.5% interest in the property subject only to a 3.0% NSR from the production of gold and silver and a 1.5% NSR from the production of other metals. The Company has the right to purchase 66⅔% of the NSR by the payment of \$875,000 to the optionors upon the commencement of commercial production. A further 175,000 common

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shares of the Company are to be issued upon receipt of a positive feasibility study recommending commercial production.

3. Mineral property interests (continued):

(b) Jersey-Emerald Property, Ymir, British Columbia, Canada

Invincible Tungsten Mine

The Company has entered into a purchase agreement to acquire a 100% interest in the now decommissioned 7.4-hectare Invincible Tungsten Mine located 6 kilometres south of Salmo, British Columbia. Under the terms of the agreement, the Company will purchase the property for \$3,000 and 9,000 common shares, subject to a 2% NSR, which the Company may, at its discretion, reduce to a 0.5% NSR by the payment of \$150,000 after the completion of a positive feasibility study; and an annual advance royalty payment of \$3,000, which will commence in year 2010.

(c) Trout Claim Group

The Company has entered into an agreement with ValGold Resources Ltd. ("ValGold") and Cream Minerals Ltd. ("Cream") to option two (2) staked claims namely the Trout and Trout 1 claims located approximately 130 km east of Gillam, Manitoba (the "Trout Claim Group") and encompassing an area of 256 hectares. The Trout Claim Group is contiguous with and encompassed by the Stephens Lake Claim Group, which is held by the optionees and currently under option to BHP Billiton Diamonds Inc. ("BHP Billiton").

Under the terms of the agreement the optionees have agreed to make total cash payments of \$110,000 (\$36,667 each of Cream, ValGold and the Company) (\$10,000 paid) and issue 200,001 common shares (66,667 shares in the capital of each of Cream, ValGold, and the Company) (33,334 issued) to the optionor before July 2007. In addition, the optionees must also incur exploration expenses and activities of no less than \$5,000 by July 2005, \$50,000 cumulative prior to July 2006 and \$250,000 cumulative prior to July 2007. A cash payment for the value of all mineral property payments, including cash and the market value of shares issued, has been received from BHP Billiton.

(d) Willi Claims, Nevada, U.S.A.

The Company entered into a purchase agreement to acquire a 100% interest in 20 Lode Mining Claims, Willi 1 to Willi 20, (the "Willi Claims"), located in Churchill County, Nevada, U.S.A. Under the terms of the Agreement, the Company issued 50,000 common shares at \$0.26. During the nine months ended September 30, 2005, the Company determined that it would not make the annual payment due to the Bureau of Land Management, and as a result, has written off the property by \$25,308.

(e) Mineral Property Interests Commitments

To maintain its mineral property interests the Company is required to make cash payments of \$89,542 and issue 474,417 common shares in fiscal 2005. Pursuant to the option agreements, \$11,667 in option payments have been made and 280,667 common shares have been issued in the nine months ended September 30, 2005. No shares have been issued subsequent to September 30, 2005, and option payments due in November on the Daylight option and the Coripampa properties have not been made, and the option agreements may need to be renegotiated or may be terminated.

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Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

4. Investments:

Name of Company	Number of Shares	Book Value September 30, 2005	Book Value December 31, 2004
Emgold Mining Corporation	15,652	\$ 3,913	\$ 3,913
LMC Management Services Ltd.	1	1	1
		\$ 3,914	\$ 3,914

The quoted market value of Emgold Mining Corporation as at September 30, 2005, was \$5,791 (December 31, 2004 - \$10,956).

5. Share capital:

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Issued and outstanding

	Number of Shares	Amount
Balance, December 31, 2004	46,164,582	\$13,804,266
Issued for mineral property interests and other		
Cariboo claims at \$0.135	75,000	10,125
Athabasca at \$0.11	75,000	8,250
Invincible at \$0.09	9,000	810
Silver King at \$0.115	105,000	12,075
Stephens Lake – Trout at \$0.095	16,667	1,583
Share issue costs	--	(4,886)
Income tax effect of renunciation of flow through expenditures	--	(60,554)
Issued for cash		
Private placement at \$0.10, less share issue costs	3,542,660	342,766
Private placement at \$0.13	1,500,000	195,000
Balance, September 30, 2005 (Unaudited)	51,487,909	\$14,309,435

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SULTAN MINERALS INC.

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Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

5. Share capital (continued):

(c) Flow-through shares

In 2004, the Company issued 1,000,000 flow-through shares ("FTS") for gross proceeds of \$170,000. Under the FTS agreements, the Company agreed to renounce \$170,000 of qualifying expenditures to the investors effective December 31, 2004, although under Canadian tax law the expenditures may actually be incurred up to December 31, 2005.

During 2004, new guidelines related to FTS accounting were issued by the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants under EIC 146. Under EIC 146, the Company is required to record 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 nine months ended September 30, 2005, and as a consequence, has recognized a reduction in share capital and a recovery of future income taxes of \$60,554.

(d) Stock options

The Company has a stock option plan which allows for the grant of options to purchase up to 7,513,438 stock options. The following table summarizes information about the stock options outstanding at September 30, 2005:

Exercise Price	Number Outstanding at June 30, 2005	Weighted Average Remaining Contractual Life
\$0.10	2,000,000	4.7 years
\$0.15	3,020,000	3.8 years
\$0.21	595,000	0.9 years
\$0.40	731,000	1.0 years
\$0.32	701,000	1.6 years
\$0.15 to \$0.40	7,047,000	3.3 years

A summary of the stock options at September 30, 2005, is presented below:

	Shares	Weighted Average Exercise Price
Balance, September 30, 2005	7,047,000	\$0.19
Balance vested, September 30, 2005	6,292,000	\$0.18

No options were exercised in the nine months ended September 30, 2005.

The fair value of each stock option granted in June 2005 on the date of grant using the Black-Scholes option-pricing model with weighted average assumptions as follows: risk free interest rate – 3.44%; expected life – 3 years; expected volatility – 83%; and weighted average fair value per option grant \$0.09. There were 2,000,000 stock options granted at a price of \$0.10 to directors, officers and employees, with an expiry date of June 10, 2010.

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SULTAN MINERALS INC.

(an exploration stage company)

Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

5. Share capital (continued):

(d) Stock options (continued)

The Black-Scholes 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 Black-Scholes 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.

(e) Share purchase warrants

As at September 30, 2005, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,813,334	\$0.20	*November 15, 2005
600,000	\$0.20	December 15, 2005
1,000,000	\$0.20	December 23, 2005
1,372,580	\$0.15	July 20, 2007
749,999	\$0.18	September 22, 2005
5,535,913		

*The expiry date of these warrants was extended by one year, to November 15, 2005, with no change in the exercise price of the warrant.

6. Related party transactions and balances:

	Nine months ended September 30,	
	2005	2004
Services rendered and reimbursement of expenses:		
LMC Management Services Ltd. (a)	\$ 213,275	\$ 230,438
Lang Mining Corporation (b)	22,500	22,500
Cream Minerals Ltd.	--	238
Legal fees	12,244	37,940
Balances receivable from (payable to) (f):	September 30, 2005	December 31, 2004
LMC Management Services Ltd. (a)	\$ 72,073	\$ 20,153
Directors and officers' expense advances (e)	993	1,800
Receivable from:	\$ 73,066	\$ 21,953
DuMoulin Black (c)	(9,483)	--
Payable to:	\$ (9,483)	\$ --

(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.

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SULTAN MINERALS INC.

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Notes to Interim Financial Statements

Nine months ended September 30, 2005 and 2004

(Unaudited – prepared by management)

6. Related party transactions and balances (continued):

- (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 an officer and director.
- (c) Legal fees were paid to DuMoulin Black, a law firm of which a director of the Company is an associate counsel.
- (d) The Company's investments include shares in a listed company with two common directors.
- (e) Balances payable to directors and officers are reimbursements for expenses incurred on behalf of the Company.
- (f) 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.

7. Comparative figures:

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

8. Subsequent event:

Subsequent to September 30, 2005, the Company announced a non-brokered private placement of flow-through shares at a price of \$0.15 per share, for gross proceeds of up to \$100,000. Cash finders' fees of up to 10% of the proceeds may be payable. The private placement is subject to regulatory approval.

SULTAN MINERALS INC.

(an exploration stage company)
 Schedule of Mineral Property Interests
 Nine months ended September 30, 2005
 (unaudited – prepared by management)

	Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Willi Claims, Nevada	Coripampa Properties, Peru	Total Mineral Property Interests September 30, 2005
Acquisition costs						
Balance, beginning of period	\$ 585,977	\$ 30,501	\$ 6,329	\$ 22,375	\$ 59,851	\$ 705,033
Incurred during the period	34,157	4,668	(5,366)	(22,375)	5,736	16,820
Balance, end of period	620,134	35,169	963	--	65,587	721,853
Exploration and development costs						
Incurred during the period						
Assays and analysis	10,951	6,342	--	--	3,321	20,614
Drilling	25,476	137,165	--	--	--	162,641
Geological and geophysical	13,537	50,566	1,343	--	35,262	100,708
Site activities	7,284	31,818	337	--	7,766	47,205
Stock-based compensation	2,575	11,931	--	--	--	14,506
Travel and accommodation	1,171	9,060	--	--	8,424	18,655
	60,994	246,882	1,680	--	54,773	364,329
Balance, beginning of period	2,413,132	2,363	9,079	2,933	147,794	2,575,301
Write-down of mineral property interests	--	--	--	(2,933)	--	(2,933)
Balance, end of period	2,474,126	249,245	10,759	--	202,567	2,936,697
Total Mineral Property Interests	3,094,260	284,414	11,722	--	268,154	3,658,550

SULTAN MINERALS INC.

(an exploration stage company)
 Schedule of Mineral Property Interests
 Year ended December 31, 2004
 (unaudited – prepared by management)

		Kena Property, British Columbia	Jersey and Emerald Properties, British Columbia	Stephens Lake Property, Manitoba	Willi Claims, Nevada	Coripampa Properties, Peru	Total Mineral Property Interests December 31, 2004
Acquisition costs							
Balance, beginning of year	\$	478,853	\$ 1	\$ 523	\$ 5,796	\$ --	\$ 485,173
Incurred during the year		107,124	30,500	5,806	16,579	59,851	219,860
Balance, end of year		585,977	30,501	6,329	22,375	59,851	705,033
Exploration and development costs							
Incurred during the year							
Assays and analysis		7,412	--	--	--	20,478	27,890
Drilling		62,910	--	--	--	--	62,910
Geological and geophysical		87,440	2,363	4,264	2,783	84,192	181,042
Site activities		10,837	--	--	--	19,349	30,186
Travel and accommodation		5,025	--	--	--	23,775	28,800
		173,624	2,363	4,264	2,783	147,794	330,828
Balance, beginning of year		2,239,508	--	4,815	150	--	2,244,473
Balance, end of year		2,413,132	2,363	9,079	2,933	147,794	2,575,301
Total Mineral Property Interests	\$	2,999,109	\$ 32,864	\$ 15,408	\$ 25,308	\$ 207,645	\$ 3,280,334