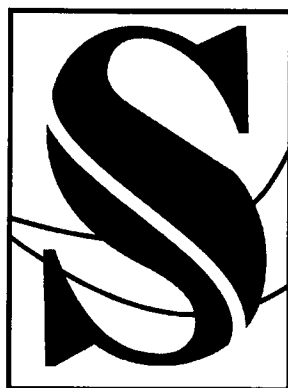


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SULTAN MINERALS INC.



THIRD QUARTER REPORT

For the Period Ended, September 30, 1995.

SULTAN MINERALS INC.

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Third Quarter Interim Report **for the Period Ended September 30, 1995**

November 23, 1995

Ticker Symbol: SUL-vse

The Company is pleased to present an update of activities for the third quarter ended September 30, 1995.

JERSEY-EMERALD GOLD PROPERTY, SALMO, BC

A surface exploration program was recently completed over the company's Jersey-Emerald Gold Property located five miles south of Salmo, BC. The program involved a soil geochemical survey, reconnaissance magnetometer survey and prospecting. The exploration program initially focused on two large, untested airborne geophysical targets discovered in 1994. Due to very encouraging results the field program was expanded to cover more than half of the 30 square km property.

Final results for the soil geochemical survey are expected in early December, but results to date show several areas of highly anomalous metal concentrations over a 9 square km area centered on the former Jersey lead-zinc mine. Elements that show enrichment within this area are gold, silver, copper, lead, zinc, molybdenum, tungsten, bismuth and barium. Three distinct targets have now been identified within this very large area. These are the Bismuth gold zone, the Leroy gold zone, and the Iron Mountain copper-silver-zinc zone.

The Bismuth gold zone is a gold and bismuth enriched horizon situated within a few metres of the former 8,000,000 ton Jersey lead-zinc deposit. This zone was discovered in 1993 in underground exposure located 150 metres below surface in the former lead-zinc workings. In 1994 an assay of 0.18 oz/ton gold and 2.0 oz/ton silver across 2.55 metres was obtained from a diamond drill hole that did not wholly penetrate the zone. Drill logs from the former lead-zinc mine suggest that this zone could be up to 15.0 metres (50 feet.) thick. Geochemical sampling has now discovered a gold and bismuth soil anomaly nearly 1.0 km north of the underground exposure of the Bismuth zone, suggesting that the zone may be exposed at surface in this area.

The Leroy gold zone is situated approximately one km west of the former Jersey mine. Gold mineralization was first reported here in the 1890's but exploration ceased when lead mining commenced in 1910. In 1993, a chip sample taken from one of the old prospect pits assayed 0.174 oz/ton gold across 3.0 metres. Several surface grab samples taken while prospecting this area in 1995 have returned assays of greater than 0.25 oz/ton gold. The Leroy zone is now believed to be associated with a north trending structure that is more than one kilometre in length.

The Iron Mountain copper-silver-zinc zone is located approximately one km east of the Jersey lead-zinc deposit. A Digheem airborne survey flown in 1994 discovered a 1.5 km long magnetic anomaly associated with an EM conductor in this area. Soil geochemical sampling completed in 1995 has found highly anomalous copper, silver and zinc concentrations over this area. The anomaly is at least 800 metres long and 600 metres wide, but is open in three directions. Results of the recently completed soil sampling survey are expected to provide a better understanding of this zone.

DAWSON CLAIMS, YUKON

Sultan has a 50% interest in the Dawson 80 Pup Property located 20 km southeast of Dawson City, Yukon in the Klondike gold camp. The property was explored with five short diamond drill holes by Kennecott Canada Inc. in 1994. Diamond drilling intersected important hydrothermal alteration with anomalous arsenic, molybdenum and zinc concentrations but gold values were low. Kennecott has since dropped its option on the claims

CONE HILL CLAIMS, BC

In 1994, Valerie Gold Resources Ltd. completed a 10,000-foot drill program over the Company's Cone Hill copper-gold property located near Williams Lake, BC, just five km north of the 960-million ton Fish Lake deposit of Taseko Mines Ltd. On completion of the program, Valerie was vested with a 60% interest in the property.

Drilling intersected zones of pyrite and alteration along the margins of two granodiorite-porphry, intrusive bodies. Copper and gold assays were sub-economic in all holes, but the results showed values increasing to the east. The Company's geologists have suggested that geochemical and geophysical coverage should be extended to cover the northeast portion of the property.

MEXICO CLAIMS

The Company is still proceeding with the acquisition of an option on the Silvia I mineral claim, approximately 200 kms southwest of Mexico City on the boundary between the states of Mexico and Guerrero. The claim is adjacent to the northeast boundary of the large Mamatla mineral reserve held by Valerie Gold de Mexico, S.A. de C.A. Recent exploration by Valerie has demonstrated potential for stratiform, Volcanic Massive Sulfide, lead-zinc silver-gold mineralization on the adjoining property.

The Company is continuing with its strategy of searching for world-class mineral properties in accessible areas with short-term production potential.

FRANK A. LANG, President

SULTAN MINERALS INC.

BALANCE SHEETS

AS AT SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

	<u>1995</u>	<u>1994</u>
ASSETS		
CURRENT		
Cash and short-term deposits	\$ 48,358	\$ 131,671
Accounts receivable	<u>9,101</u>	<u>2,604</u>
	57,459	134,275
 MINERAL PROPERTIES AND DEFERRED COSTS	 1,044,578	 809,459
 CAPITAL ASSETS	 48,040	 -
 INVESTMENTS	 18,713	 18,713
 RECLAMATION BOND	 <u>7,000</u>	 <u>-</u>
	 <u>\$1,175,790</u>	 <u>\$ 962,447</u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 46,675	\$ 50,385
Loans from director	<u>30,672</u>	<u>28,073</u>
	<u>77,347</u>	<u>78,458</u>
 SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized: 50,000,000 Common shares without par value		
50,000,000 Preferred shares		
Issued: 6,722,689 Common shares (1994: 5,652,939)	6,084,054	5,713,042
 DEFICIT	 <u>(4,985,611)</u>	 <u>(4,829,053)</u>
	<u>1,098,443</u>	<u>883,989</u>
	<u>\$1,175,790</u>	<u>\$ 962,447</u>

SULTAN MINERALS INC.

STATEMENTS OF LOSS AND DEFICIT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

	<u>1995</u>	<u>1994</u>
REVENUE		
Interest and miscellaneous	\$ <u>8,815</u>	\$ <u>1,212</u>
ADMINISTRATIVE EXPENSES		
Bank charges and interest	1,769	2,039
Consulting	1,134	-
Management fees	22,500	10,000
Office and administration	31,416	5,613
Professional fees	7,060	-
Printing	6,125	3,628
Regulatory fees	3,904	3,848
Stock transfer fees	6,692	3,307
Travel and promotion	3,969	5,849
Wages and benefits	<u>24,732</u>	<u>24,846</u>
	<u>109,301</u>	<u>59,130</u>
LOSS FOR THE PERIOD	100,486	57,918
DEFICIT, BEGINNING OF PERIOD	<u>4,885,125</u>	<u>4,771,135</u>
DEFICIT, END OF PERIOD	<u>\$4,985,611</u>	<u>\$4,829,053</u>

SULTAN MINERALS INC.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

	<u>1995</u>	<u>1994</u>
OPERATING ACTIVITIES		
Loss for the period	\$ (100,486)	\$ (57,918)
Items not involving cash:		
Mineral properties & related costs abandoned	<u>-</u>	<u>231</u>
	(100,486)	(57,687)
Net change in non-cash operating working capital items	<u>(10,077)</u>	<u>23,402</u>
Funds used by operating activities	<u>(110,563)</u>	<u>(34,285)</u>
INVESTING ACTIVITIES		
Resource properties	(83,932)	93,499
Capital assets	<u>(48,040)</u>	<u>-</u>
Funds used by investing activities	<u>(131,972)</u>	<u>(93,499)</u>
FINANCING ACTIVITIES		
Share capital, net of previous commitments	<u>14,962</u>	<u>185,614</u>
INCREASE (DECREASE) IN CASH AND SHORT-TERM DEPOSITS	(227,573)	57,830
CASH AND SHORT-TERM DEPOSITS, BEGINNING OF PERIOD	<u>275,931</u>	<u>73,841</u>
CASH AND SHORT-TERM DEPOSITS, END OF PERIOD	<u>\$ 48,358</u>	<u>\$ 131,671</u>

SULTAN MINERALS INC.

STATEMENTS OF RESOURCE PROPERTY COSTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(UNAUDITED)

	<u>1995</u>	<u>1994</u>
EXPENDITURES		
Administration	\$ 1,013	\$ 4,371
Assaying	6,253	-
Consulting	3,500	9,150
Core splitting	3,188	-
Drilling	22,155	17,495
Electromagnetic surveys	15,583	30,528
Field support costs	5,318	1,602
Geology and mapping	-	5,184
Miscellaneous	855	230
Option payment	4,000	9,000
Staking costs and assessments	10,870	4,115
Wages and benefits	<u>11,197</u>	<u>11,824</u>
TOTAL PROPERTY COSTS FOR THE PERIOD	83,932	93,499
Costs written-off	<u>-</u>	<u>(231)</u>
	83,932	93,268
COSTS, BEGINNING OF PERIOD	<u>960,646</u>	<u>716,191</u>
COSTS, END OF PERIOD	<u>\$1,044,578</u>	<u>\$ 809,459</u>

SULTAN MINERALS INC.

THIRD QUARTER INTERIM REPORT

SCHEDULE B

1. Related Party Transactions

During the period ended September 30, 1995, a company controlled by a director charged \$15,000 for management fees.

2. (a) Securities issued during the period

None.

(b) Options granted during the period

35,000 incentive stock options were granted to employees at an exercise price of \$0.50 for a five-year period, expiring on August 16, 2000.

3. (a) Authorized Capital

50,000,000 common shares without par value.
50,000,000 preferred shares.

Issued and Outstanding Capital

6,722,689 shares are issued and outstanding.

(b) (i) Stock Options Outstanding

<u>Number of Shares</u>	<u>Exercise Price(\$)</u>	<u>Expiry Date</u>
104,000	0.45	December 28, 1998
525,000	0.60	April 6, 2000
<u>35,000</u>	0.50	August 16, 2000
<u>664,000</u>		

SULTAN MINERALS INC.

QUARTERLY REPORT

SCHEDULE B (Continued)

3. (b) (ii) Warrants Outstanding

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
65,000	\$0.45	November 26, 1995
152,500	\$0.60 or at \$0.65	October 31, 1995 if exercised after October 31, 1995 but before October 31, 1996

217,500

(c) Shares in Escrow

375,007

(d) List of Directors

Frank A. Lang
Arthur G. Troup
Ben Ainsworth