TBS → KENA

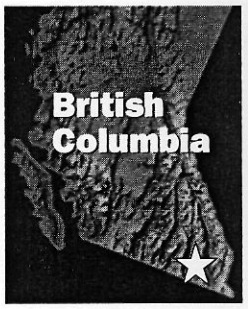
SULTAN MINERALS INC.

884524

PROJECT REVIEW

Kena Gold-Copper Property, Nelson, British Columbia

During 2000, Sultan focused on exploring the Kena Property, located near the town of Nelson in southeastern British Columbia. The Kena Property hosts a number of porphyry style, gold and gold-copper prospects on approximately 3,500 hectares of land situated 45 kilometres north of the Cominco smelter at Trail, B.C. Infrastructure in this part of the province is excellent. A power line, gas line, rail bed and major highway pass through the corner of the Kena Property, and the property itself is serviced by a network of new logging access roads.



The area of the Kena property was initially reported to have important mineral potential by the Geological Survey of Canada in 1888. Surprisingly the area remained unexplored until 1973 when a number of claims were staked for copper and gold. From 1974 to 1991, these small properties were worked intermittently by a number of exploration companies. In October 1999 the properties were acquired and amalgamated by Sultan Minerals under the name Kena property.

GEOLOGY AND MINERALIZATION

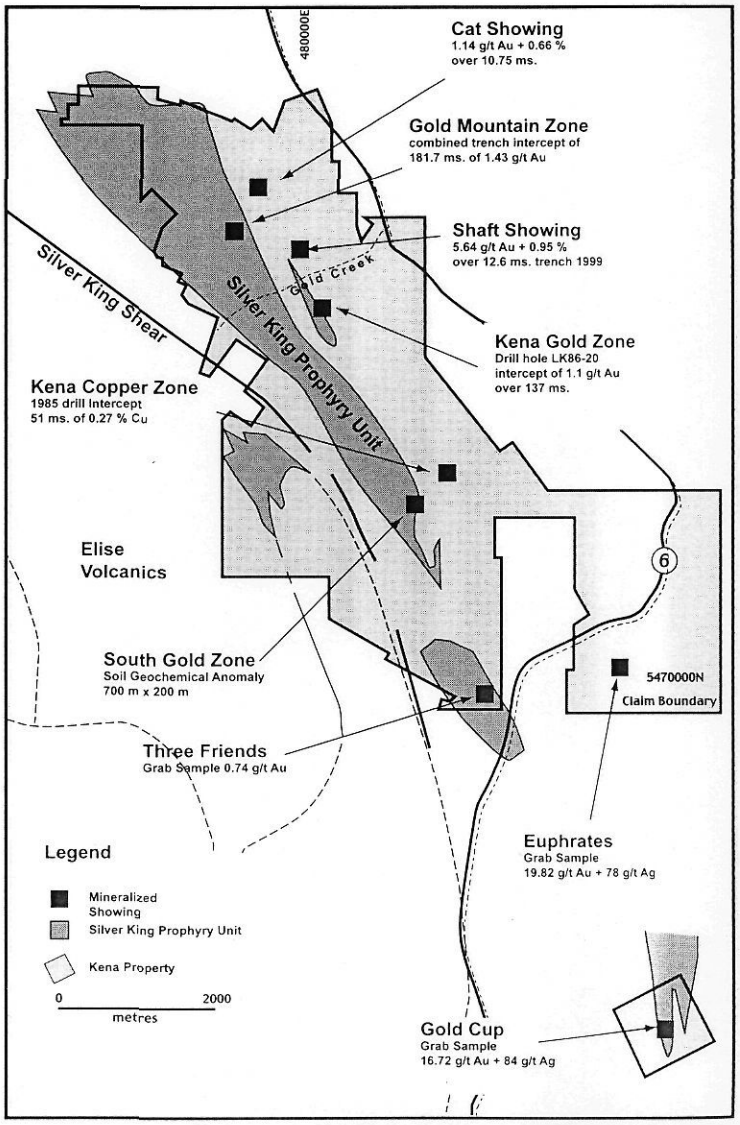
The Kena Property is underlain by volcanic rocks of the Rossland Group, Elise Formation, which are intruded by the younger Silver King Porphyry stock. A large number of mineral occurrences, including the Kena and Shaft on the east and the former Silver King Mine on the west, are spatially related to the Silver King Porphyry unit.

Recent exploration work and data compilation by the Company have identified four gold bearing zones on the Kena Property. These are: the Gold Mountain, Kena Gold, Shaft/Cat, and South Gold Zones.

Gold Mountain Zone

The most prominent new discovery by Sultan Minerals in 2000 was the Gold Mountain Zone. The Gold Mountain Zone lies in the northwest portion of the property, within the Silver King Porphyry unit, adjacent to the Elise Volcanic package. This mineralized zone is in a previously unexplored area, and represents a new and unique style of gold porphyry mineralization.

The initial indication of mineralization within the Silver King Porphyry body on Gold Mountain was made by a soil geochemical survey completed in September 2000. Results of the survey defined a 2100 metre by 600 metre gold soil anomaly over the Silver King Porphyry unit. The soil anomaly was followed-up by a program of prospecting and rock chip sampling which returned gold assays up to 5.48 g/t gold along the intrusive-volcanic contact and up to 2.71 g/t gold from outcrops within the intrusive.



Geochemical studies show a 4,000 metre-long gold and copper soil anomaly across the Kena property.

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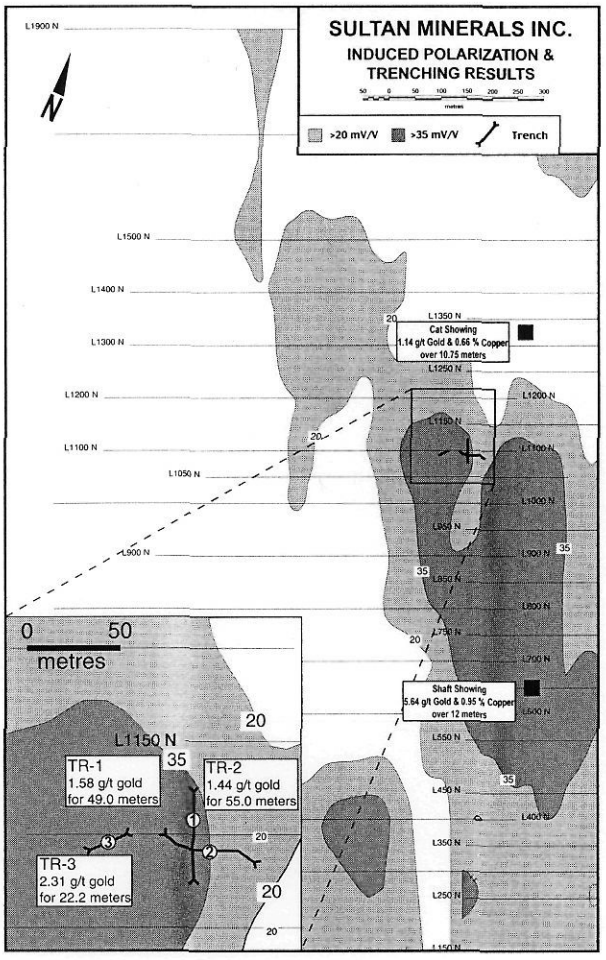

Late in 2000, an excavator trenching program was conducted in the Gold Mountain Zone with very exciting results. Chip sample results from the six "discovery" trenches returned an average assay of 1.43 g/t gold over their combined length of 181.7 metres. The best three metre chip sample assayed 11.38 g/t gold. The six trenches test an area measuring 120 x 100 metres.

The disseminated and fracture filling sulfides observed in the trenches suggested the mineralization would respond to geophysics and an induced polarization (IP) survey was completed in November. The results show a large chargeability anomaly coincident with the gold soil geochemical anomaly. The uniformity of the chargeability anomaly within the intrusive suggests potential for widespread gold mineralization throughout the area.

IP Map showing Gold Mountain IP anomaly.

GOLD MOUNTAIN "DISCOVERY" TRENCH RESULTS

TRENCH NO.	FROM (m)	TO (m)	WIDTH (m)	AU (g/t)
TR-1	0	49	49	1.58
Including	9	18	9	3.78
And	44	47	3	3.14
TR-2	0	55	55	1.44
Including	25	28	3	3.16
And	37	40	3	3.54
And	49	52	3	3.86
TR-3	0	22	22	2.31
Including	6	9	3	11.38
TR-4	0	20.5	20.5	1.43
Including	0	9	9	3.02
TR-5	0	27	27	0.84
TR-6	0	6	6	0.17

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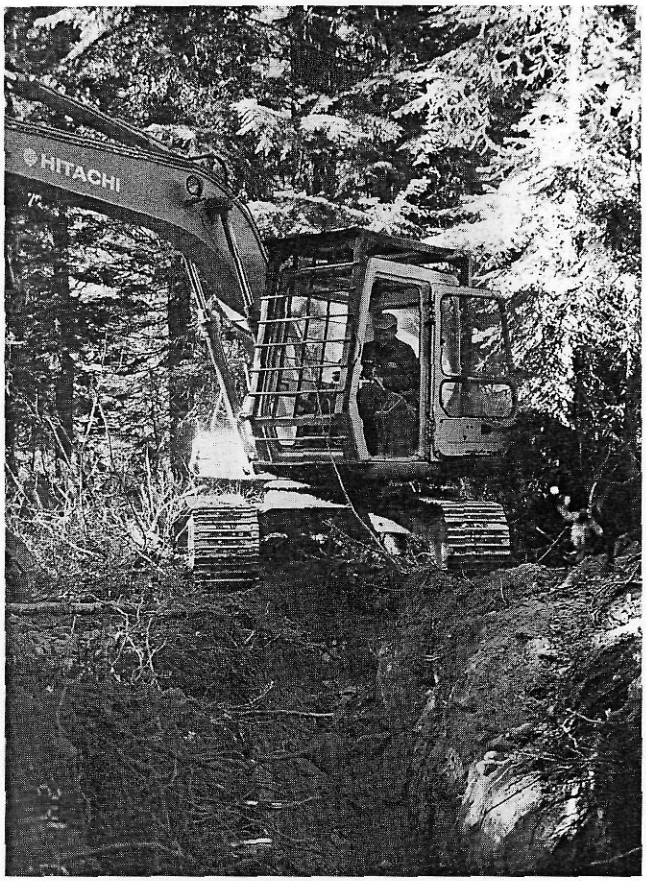

Excavating the discovery trenches on the Gold Mountain zone.

Petrographic studies were carried out in order to determine the genesis and signature of the gold mineralization. Results of this study found that free gold occurs as clusters within quartz veinlets and as particles along the margins of pyrite grains.

The potential for large size, coupled with ready access and extremely good infrastructure gives the GoldMountain Zone the potential to become a new, world-class gold discovery.

Kena Gold Zone

The Kena Gold Zone lies within the Elise Volcanic Formation some 500 metres southeast of the Gold Mountain Zone. The zone has been extensively drill tested but much of the previously drilled core was never sampled. In 2000, much of the historic core was re-logged using detailed alteration and mineralization studies in order to get a signature for the gold mineralization, and many unsampled sections were assayed. Also, structural data from outcrop and drill core was assessed and a new structure identified which appears to be the mineralizing control. Currently, remodeling of the Kena Gold Zone is underway, utilizing this new mineralizing orientation and alteration assemblage data.

Shaft/Cat Zone

The Shaft and Cat showings are situated 800 metres apart along a northwest trending diorite unit that cuts the Elise Volcanics immediately east of Gold Mountain. The two showings were previously explored with trenching and 5 short diamond drill holes. Trench samples assayed up to 5.6 g/t gold and 0.95% copper over 12 metres. Diamond drill core assayed up to 9.0 g/t gold and 1.13% copper over 4.1 metres of apparent thickness.

In 2000, Sultan's core re-logging and sampling program traced this dioritic unit for an additional 700 metres to the south, giving the zone a minimum strike length of 1500 metres. The entire zone is marked by a prominent magnetic high. Along this extended zone historic drill hole TK87-46 intersected 11.67 metres of 4.72 g/t gold.

South Gold Zone

The South Gold Zone lies 1,500 metres southeast of the Kena Gold Zone and follows the contact between the Elise Volcanics and the Silver King Porphyry intrusive rocks. A large gold in soil geochemical anomaly trends parallel to this contact. Soil geochemical results and the geological setting of the South Gold Zone are comparable to that of the Gold Mountain Zone.

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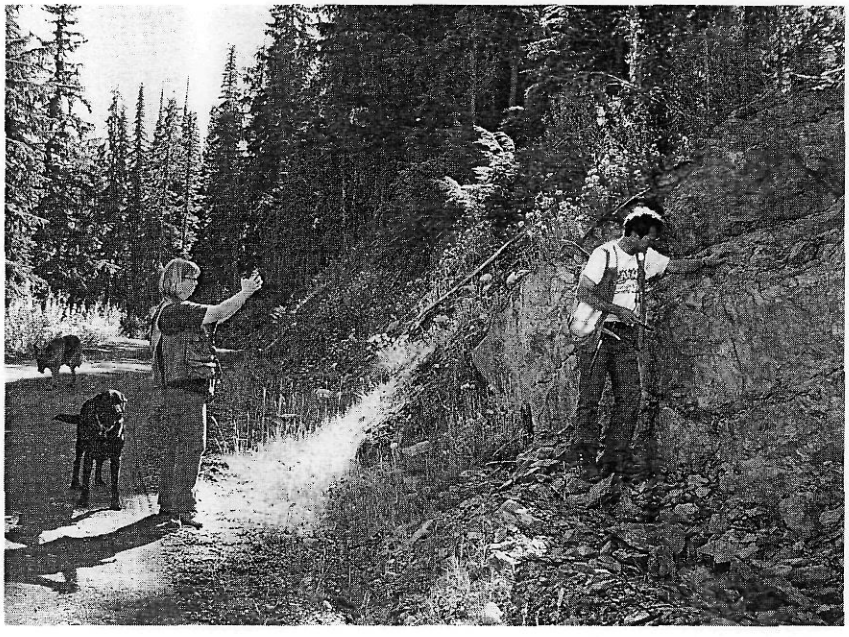

Geologists mapping over the recently discovered Gold Mountain Zone.

New Showings

During the 2000 field program, the Company acquired additional claims to the south of the original Kena claim block. These claims cover extensions of the Silver King Porphyry intrusive which has been mapped for 12 kilometres southeast from the Gold Mountain Zone. During staking of these claims, encouraging assays as high as 16.72 g/t gold, 84.0 g/t silver, 0.21% copper were obtained from three new showings that displayed characteristics similar to the Gold Mountain Zone.

2001 EXPLORATION PROGRAM

A two phase exploration program is planned for 2001, with Phase II work being contingent up on the results from Phase I. Phase I work is expected to commence in June with excavator trenching, detailed structural mapping and diamond drilling of the best targets in the Gold Mountain Zone. As well, the entire 15 kilometre length of Silver King Porphyry will be prospected, mapped and soil sampled in a reconnaissance manner. The budget for the Phase I program is $285,000.

The Phase II program will follow up favourable results from the Phase I diamond drill program, with definition drilling over the Gold Mountain Zone. The budget for the Phase II program is estimated to be $1.2 million.