



Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)

VULCAN MINERALS INC.
March 31, 2014 and 2013

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Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, “Continuous Disclosure Obligations”, part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation’s external auditors have not performed a review of these financial statements.

VULCAN MINERALS INC.
Condensed Consolidated Balance Sheets
(Unaudited)
As at

(in Canadian dollars)	March 31 2014	December 31 2013
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,694,092	3,853,156
Accounts receivable	18,099	15,445
Government grant receivable (Note 4)	100,000	85,000
Prepaid expenses	9,825	15,990
Deposits	9,000	24,000
Inventory	109,224	109,224
	3,940,240	4,102,815
Deposits	286,000	286,000
Investments	103,393	117,393
Exploration and evaluation assets (Note 5)	3,816,423	4,089,683
Equipment	107,141	115,756
Total Assets	8,253,197	8,711,647
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	114,472	71,759
Total Liabilities	114,472	71,759
Equity		
Shareholders' equity	7,748,448	8,228,719
Non-controlling interest	390,277	411,169
	8,138,725	8,639,888
Total Liabilities and Equity	8,253,197	8,711,647
Nature of operations (Note 1)		
Contingencies (Note 9)		
Subsequent event (note 10)		
Approved on Behalf of the Board of Directors		
Patrick J. Laracy	Director	
Rex Gibbons	Director	

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Loss
(Unaudited)

Three Months Ended March 31

(in Canadian dollars)	2014	2013
	\$	\$
Income (Expenses)		
Interest income	11,151	12,995
Write off- exploration and evaluation assets (Note 5)	(278,466)	-
General and administrative (Notes 7 and 8)	(211,233)	(274,701)
Share-based compensation	(11,147)	-
Depreciation	(8,615)	(12,210)
Loss before income taxes	(498,310)	(273,916)
Income taxes		
Deferred income tax recovery	-	51,647
	-	51,647
Net loss	(498,310)	(222,269)
Net loss attributable to:		
Common shareholders	(477,418)	(189,017)
Non-controlling interest	(20,892)	(33,252)
	(498,310)	(222,269)
Net loss per share - basic and diluted	(0.008)	(0.003)
Weighted-average number of common shares outstanding - basic and diluted	58,526,129	57,580,477

Condensed Consolidated Statements of Comprehensive Loss
Three Months Ended March 31

(in Canadian dollars)	2014	2013
	\$	\$
Net loss	(498,310)	(222,269)
Other comprehensive loss:		
Change in unrealized loss on available-for-sale financial assets (net of tax)	(14,000)	44,795
	(14,000)	44,795
Comprehensive loss	(512,310)	(177,474)
Comprehensive loss attributable to:		
Common shareholders	(491,418)	(144,222)
Non-controlling interest	(20,892)	(33,252)
	(512,310)	(177,474)

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.

**Condensed Consolidated Statements of Changes in Equity
(Unaudited)**

(in Canadian dollars)

	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2012	19,040,965	2,867,056	5,320	(389,143)	(12,094,123)	9,438,175	446,030	9,884,205
Net loss and comprehensive loss								
January 1, 2013 - December 31, 2013	-	-	-	321,545	(1,617,647)	(1,296,102)	(107,933)	(1,404,035)
Issuance of shares for property acquisition	60,000	-	-	-	-	60,000	-	60,000
Share issuance costs	(2,125)	-	-	-	-	(2,125)	-	(2,125)
Share-based compensation	-	101,843	-	-	-	101,843	-	101,843
Fair value of expired warrants	-	5,320	(5,320)	-	-	-	-	-
Transfer to non-controlling interest on acquisition of shares in subsidiary	-	(73,072)	-	-	-	(73,072)	73,072	-
Balance, December 31, 2013	19,106,940	2,901,147	-	(67,598)	(13,711,770)	8,228,719	411,169	8,639,888
Net loss and comprehensive loss								
January 1, 2014 - March 31, 2014	-	-	-	(14,000)	(477,418)	(491,418)	(20,892)	(512,310)
Share-based compensation	-	11,147	-	-	-	11,147	-	11,147
Balance, March 31, 2014	19,106,940	2,912,294	-	(81,598)	(14,189,188)	7,748,448	390,277	8,138,725

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
Three Months Ended March 31

(in Canadian dollars)	2014	2013
	\$	\$
Operating Activities		
Interest receipts	11,151	12,995
Operating payments	(150,009)	(271,500)
	(138,858)	(258,505)
Investing Activities		
Exploration and evaluation assets	(5,206)	(17,500)
Government grant receivable	(15,000)	-
Acquisition of equipment	-	(1,607)
	(20,206)	(19,107)
Cash (outflow)	(159,064)	(277,612)
Cash and cash equivalents, beginning of period	3,853,156	5,129,360
Cash and cash equivalents, end of period	3,694,092	4,851,748
Cash and cash equivalents are comprised of:		
Deposits with banks	1,672,075	4,851,748
Guaranteed investment certificates, interest rate of 1.35%	2,022,017	-
	3,694,092	4,851,748

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2014 and 2013

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Vulcan Minerals Inc. is engaged in the evaluation, acquisition and exploration of mineral and petroleum and natural gas properties in Newfoundland and Labrador and Alberta. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain reserves that are economically recoverable and the Company is considered to be in the exploration stage.

The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its registered address is 333 Duckworth Street, St. John's, NL A1C 1G9.

2. BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2013.

These consolidated financial statements have been prepared on an historical cost basis, except for investments which are measured at fair value.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2014.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and the entity controlled by the Company (subsidiary). The Company's subsidiary is Red Moon Potash Inc. in which the Company has a 61% interest. Control is achieved by having each of: power over the investee via existing rights that give the company the current ability to direct the relevant activities of the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability for the company to use its power over the investee to affect the amount of the company's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of Red Moon Potash Inc. are identified separately from the Company's equity. The non-controlling interest consists of the non-controlling interest's portion of net assets, income (loss), and other comprehensive income (loss).

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)
March 31, 2014 and 2013

3. NEW AND AMENED ACCOUNTING STANDARDS

New and amended standards adopted by the Company

The following standards have been adopted by the Company for the period beginning on January 1, 2014:

IAS 32, "*Financial Instruments Presentation*" was amended to clarify requirements for the offsetting of financial assets and liabilities. The amendment is effective for fiscal years beginning on or after January 1, 2014. The adoption of this standard had no impact on the Company's financial statements.

IFRIC 21, "*Accounting for levies imposed by governments*" clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 is effective for years beginning on or after January 1, 2014. The adoption of this standard had no impact on the Company's financial statements.

Standards and amendments not yet effective and not yet applied

IFRS 2, "*Share-based payment*" was amended to clarify the definition of vesting conditions. The amendment applies to share-based transactions for which the grant date is on or after July 1, 2014.

IFRS 3, "*Business combinations*" was amended to provide clarification related to contingent consideration in a business combination. The amendment is effective for business combinations where the acquisition date is on or after July 1, 2014.

IAS 24, "*Related Party Transactions*" was amended to revise the definition of related party to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify the related party disclosure requirements. This amendment is effective for fiscal years beginning on or after July 1, 2014.

The Company is evaluating the impact of these standards on its financial statements.

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2014 and 2013

4. GOVERNMENT GRANT RECEIVABLE

Government grant receivable in the amount of \$100,000 (2013 - \$85,000) represents a grant receivable from the Government of Newfoundland and Labrador (the government) under the “Junior Exploration Assistance” program of the Department of Natural Resources. Under the terms of the contribution agreement, signed with the government in April 2013, the Company was eligible for a contribution of 50% of eligible costs of the exploration program covered under the agreement, at a minimum amount of \$60,500, to a maximum amount of \$100,000. After completion of the exploration program, and submission of the required documentation to the government in 2013, the government indicated a contribution of \$85,000 would be made to the Company as its contribution to the exploration program, and the \$85,000 was recorded as a reduction of the related mineral exploration and evaluation asset as of December 31, 2013. The Company received a total amount of \$100,000 from the government in April 2014 as its contribution to the exploration program. The additional contribution of \$15,000 has been recorded as a reduction of mineral exploration and evaluation assets in the period ended March 31, 2014.

5. EXPLORATION AND EVALUATION ASSETS

The Company has 10 mineral licenses (2013-9) which consist of 1,416 claims (December 31, 2013 – 1,532 claims), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. The Company also holds 10 mineral permits (2013- 10) in the Province of Alberta. These licenses and permits are in the exploration and evaluation stage. The Company holds a database of geological and geophysical data at March 31, 2014 and December 31, 2013. A summary of the exploration and evaluation assets is as follows:

	March 31, 2014			December 31, 2013		
	Balance, Beginning of Period	Additions (Writedowns/ Dispositions)	Balance, End of Period	Balance, Beginning of Year	Additions (Dispositions, net)	Balance, End of Year
	\$	\$	\$	\$	\$	\$
Mineral properties						
Property acquisition costs	66,750	-	66,750	500	66,250	66,750
Exploration costs	867,904	5,206	873,110	451,401	416,503	867,904
Geological and geophysical data	3,155,029	(278,466)	2,876,563	3,598,967	(443,938)	3,155,029
	4,089,683	(273,260)	3,816,423	4,050,868	38,815	4,089,683

Current period additions to mineral exploration and evaluation assets have been reduced by the government grant of \$15,000 (2013- \$85,000) (Note 4).

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2014 and 2013

5. EXPLORATION AND EVALUATION ASSETS (continued)

The Company holds a database of geological and geophysical data. In 2014 and 2013, the Company regrouped certain of its mineral licenses at license renewal dates, and as result, surrendered a portion of the lands associated with the licenses. The Company recorded a write-down to the geological and geophysical data in 2014 in the amount of \$278,466 (2013- \$443,938) which was in proportion to the land surrendered as compared to the total area covered by the geological and geophysical data.

6. SHARE-BASED COMPENSATION

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

A summary of the status of the Company's stock option plan is as follows:

	March 31, 2014		December 31, 2013	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
		\$		\$
Outstanding, beginning of period	5,401,288	0.22	2,667,761	0.63
Granted	-	-	4,800,000	0.10
Expired/cancelled	-	0.59	(1,928,973)	0.59
Forfeited	(62,500)	0.10	(137,500)	0.10
Outstanding, end of period	5,338,788	0.22	5,401,288	0.22
Exercisable, end of period	3,307,539	0.16	2,338,788	0.16

The weighted average remaining contractual life of outstanding options is 3.14 years (December 31, 2013 – 2.92 years). The weighted average remaining contractual life of exercisable options is 1.67 years (December 31, 2013 – 1.11 years).

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)
March 31, 2014 and 2013

7. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	\$	\$
Office and administrative	30,546	44,820
Management, salaries and contract fees and benefits	112,261	161,244
Directors' fees	16,250	16,250
Transfer agent and professional fees	25,804	21,512
Conferences, travel and accommodation	26,372	30,875
	211,233	274,701

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and directors, is as follows:

	2014	2013
	\$	\$
Management fees, salaries and benefits	64,692	90,403
Directors' fees	16,250	16,250
	80,942	106,653

8. RELATED PARTY TRANSACTIONS

	2014	2013
	\$	\$
Rent paid to a corporation which is controlled by the President of the Company	11,250	11,250

9. CONTINGENCIES

- a) In 2011, the Company was served with a statement of claim by Geophysical Service Incorporated wherein it is claimed that the Company, as a co-defendant with Investcan Energy Corporation, has committed a copyright infringement. The claim relates to an allegation that accessing offshore Labrador seismic data, which is released to the public by the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) after the relevant statutory privilege-confidentiality period, is a breach of copyright. The Company is of the opinion that this claim is without basis or merit and no amounts have been recorded in the Company's accounts. The Company is fully defending its interests.

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2014 and 2013

9. CONTINGENCIES (continued)

- b)* The Court in Alberta has granted leave to Geophysical Service Incorporated (GSI) to add the Company as a co-defendant in the ongoing action GSI has with NWest Energy Corp. regarding an alleged breach of an agreement between those parties. In order to do this, GSI must submit a statement of claim for the court to review. The Company believes any related claims against it are without basis or merit and the Company is fully defending its interest.

10. SUBSEQUENT EVENT

In May 2014, the Company agreed to subscribe, subject to regulatory approval, for 5,000,000 units at \$0.10 per unit (total cash consideration of \$500,000) in subsidiary Red Moon Potash Inc. Each unit will consist of one common share and one half of a share purchase warrant. One whole warrant will entitle the holder to purchase one common share at \$0.25 per share for a period of two years from closing date of the private placement. Red Moon plans to use the funds to conduct an exploration drilling program in 2014.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick J. Laracy
President and Chairman

Sharon M. Dunn
Chief Financial Officer and Corporate
Secretary

BOARD OF DIRECTORS

Patrick J. Laracy

Rex Gibbons

Philip E. Collins

William Koenig

EXCHANGE LISTING

TSX Venture – “VUL”

LEGAL COUNSEL

Morris McManus, Calgary, AB
Cox & Palmer, St. John’s, NL

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada

AUDITORS

PricewaterhouseCoopers LLP

BANKERS

Scotiabank

ADDITIONAL INFORMATION

Please contact, Patrick J. Laracy
Tel: (709) 754-3186
e-mail: info@vulcanminerals.ca

HEAD OFFICE

333 Duckworth Street
St. John’s, NL, A1C 1G9
Tel: (709) 754-3186
Fax: (709) 754-3946
Website: www.vulcanminerals.ca