



Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2013 and 2012
(Unaudited)

VULCAN MINERALS INC.

March 31, 2013 and 2012

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This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration, drilling, exploration activities and events or developments that Vulcan Minerals Inc. (the “Company”) expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

INTRODUCTION

The Interim Condensed Consolidated Financial Statements and comparative information have been prepared in Canadian dollars and in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board.

These interim condensed consolidated financial statements include Vulcan Minerals Inc. and its subsidiaries including Red Moon Potash Inc.

General Business

The Company is engaged in mineral and petroleum exploration on properties in Newfoundland and Labrador. The Company’s efforts have focused on exploring these properties. The Company is a pure exploration venture and has no proven petroleum or mineral reserves.

The MDA should be read in conjunction with the consolidated financial statements for the period ended March 31, 2013 and accompanying notes.

DATE

The date of this MDA is May 3, 2013.

OVERALL PERFORMANCE

For the period ended March 31, 2013, total assets decreased to \$9,882,929 (2012 - \$13,480,471) reflecting a decrease in petroleum and natural gas exploration and evaluation assets from \$9,850,420 to \$3,598,967 (as a result of the sale and write-down of assets during 2012) and a decrease in investments (shares in public companies - see Financial Instruments and Other Instruments) offset by an increase in cash from \$1,942,004 to \$4,851,748. Current liabilities related to normal trade payables and current exploration activities decreased to \$64,087 (2012 - \$783,026). Interest income of \$12,995 was higher than the prior year (2012 - \$6,736) due to increased cash balances. Inventory and Deposits increased due to the reclassification of some inventory and deposits related to petroleum and natural from exploration and evaluation assets to inventory and deposits held.

Expenses were higher for the period ended March 31, 2013 (\$274,701) compared to 2012 (\$175,003) and include the following material components:

Expenses Include:	Period Ended March 31		
	2013	2012	Change
	\$	\$	%
Management, Salaries, Subcontract Fees & Benefits (incl'd reimbursements)	161,244	109,866	47%
Directors Fees	16,250	-	N/A
Transfer Agent, Regulatory & Professional Fees	21,512	31,271	-31%
Conferences, Travel & Accommodation	30,875	18,331	68%
Office & Other (incl'd reimbursements)	44,820	15,535	189%

Management, salaries and subcontract fees increased in 2013 as a result of an increase in personnel and the inclusion of comparable expenses of Red Moon Potash Inc. (“Red Moon”). Directors’ fees are currently paid twice a year (January 1 and June 1) and include the directors’ fees of Red Moon versus once a year in 2012 (June 1). Transfer agent, regulatory and professional fees were higher in 2012 as a result of professional fees relating to corporate work. Conferences, travel and accommodation were higher in 2013 as a result of increased attendance at investor tradeshows and travel related to potential property acquisitions. Reimbursements of other office costs in 2012 were higher as personnel spent more time during 2012 on compensated joint venture projects. There was a net loss for the period of \$222,269 compared to a net loss of \$54,280 in 2012. Net loss was higher in 2013 as a result of a lower deferred income tax recovery of \$51,647 (2012-\$170,086) and \$Nil in stock based compensation (2012-\$39,635) offset by higher expenses per above.

SELECTED ANNUAL INFORMATION

Refer to Form 51-102F for the year ended December 31, 2012.

RESULTS OF OPERATIONS

Western Newfoundland-Petroleum (Onshore)

Bay St. George

Effective May 1, 2012, the Company holds a 2.0% gross overriding royalty in three petroleum permits in the Bay St. George area, onshore western Newfoundland. Pursuant to a joint venture, the Company previously operated and explored these properties accumulating a database of geophysical and geological data and drilling eleven wildcat wells in this unexplored area. There have been two gas discoveries as well as a shallow oil discovery (Flat Bay) on the permits. These discoveries are unconventional because of tight reservoir conditions requiring significant expenditures to evaluate their commerciality. These expenditures were deemed to be beyond the ability of the Company to pursue and as a result the Company elected in 2012 to convert its 50% working interest to a royalty position and a cash payment of \$2,500,000 enabling the Company to share any future production without any operational risks or costs.

The current operator, Investcan Energy Corporation (“Investcan”) (former 50% working interest owner), has advised the Company that they propose to drill one well with an option for a second well in the Flat Bay area of western Newfoundland on petroleum Permit 03-106. Investcan has registered the project, including road construction, pursuant to the applicable environmental

legislation in the province. The proposed wells have targeted depths of up to 2,000 metres each. Drilling is planned to commence in mid-June with a minimum 50 day drill project. The wells will be known as Thoulet #1 and Thoulet #2 and have a preliminary combined budget of \$10 million. Investcan completed a well (Gobineau #1) in the Flat Bay oil deposit on Permit 03-106 in late 2012 for which results have not yet been released. The Company owns a 2% gross-overriding royalty on petroleum Permits 03-106, 03-107 and 96-105 covering approximately 250,000 acres in the Bay St. George basin.

Labrador Offshore

Effective May 15, 2012, the Company sold its 30% working interest in the Labrador Offshore exploration licence 1107 (“EL 1107”) to Investcan for a cash payment of \$1,750,000 and “success” payments of \$500,000 upon the spudding of a well on EL 1107 or the sale by Investcan of its total interest in the licence whichever comes first, and a further \$500,000 upon the issuance of any significant discovery licence contained within the exploration licence.

EL 1107 covers 236,525 hectares (584,000 acres) of the Hopedale Basin on the Labrador continental shelf and was acquired in September 2008 with Investcan. An exploration licence confers the right to explore for petroleum for six years (Period I) with a possible additional period of three years.

Western Newfoundland Offshore

Through its interests in NWest Energy Corp. (“NWest”), the Company has exposure to the exploration potential of offshore western Newfoundland. The Company was a founding shareholder of NWest in 2006 and currently owns approximately 19% of its outstanding shares.

In January 2012, NWest announced it had entered into an agreement with Shoal Point Energy Ltd. (“Shoal Pt”) in which Shoal Pt acquired 100% working interest in licence EL 1079R, amongst other things, for securities and a 2% royalty on the licence. This transaction was approved at NWest’s annual and special meeting of shareholders on March 21, 2012. This transaction provides NWest shareholders with ongoing exposure to the offshore Green Point tight oil play currently being pursued by other operators in western Newfoundland on EL 1079R.

Mineral Properties

TL Nickel-Copper-PGM

The TL Nickel-Copper-Platinum group element property in Labrador is situated approximately 80 km northwest of the Voisey’s Bay world-class nickel-copper-cobalt mine. The property was optioned to Nortec Minerals Corp. (“Nortec”) in 2003. Nortec has spent sufficient funds to keep the property in good standing since that time. An airborne geophysical survey was completed as of May 21, 2008 by Geotech using the VTEM system. A drilling program was carried out on the property during the summer of 2008 with approximately 1,960 metres drilled. Nortec earned 51% working interest in the property. Significant drill intersections of mineralization were encountered including 14 metres of 1.02% Nickel, 0.51% Copper, and 0.03% Cobalt. In March 2013, the Company acquired Nortec’s 51% working interest in the property subject to a 1% royalty with certain buyback provisions. The Company currently holds 100% working interest in the property. The Company is conducting a full review, integration and interpretation of all previous work towards formulating a strategic exploration program.

Flat Bay Potash/Salt

Effective August 17, 2012, the Company holds a 3.0% net production royalty in the mineral rights over a portion of the northern Bay St. George Basin (approximately 89,884 acres) now owned by Red Moon Potash Inc. (a subsidiary of the Company). The Bay St. George area is part of the larger Maritimes Basin which is a significant producer of salt and potash, including the Sussex mine operated and under current expansion by the Potash Corporation of Saskatchewan in New Brunswick.

In 2002, the Company drilled the Captain Cook #1 well which discovered a 165-meter thick section of evaporites consisting of halite (salt) and a potentially significant potash zone. Analysis of the core indicated grades varying from 4.44% - 20.40% K₂O (potassium oxide). In 2004, the Company drilled the Flat Bay #2 well, which intersected approximately 200 metres of salt approximately 2 km from Captain Cook. Geological analysis suggests that these discoveries are connected and that a potentially significant salt/potash resource exists in the area. In late 2011, the Company carried out a high resolution airborne gravity survey (Fugro Surveys) over the prospective lands for potash and salt to further enhance the geologic understanding of the deposits and assist with drill target prioritization.

On July 25, 2012, the shareholders of the Company approved a corporate re-organization whereby the Company spun-out these mineral exploration assets in the Bay St. George basin into a separate publicly traded subsidiary company, Red Moon Potash Inc. ("Red Moon"). Red Moon was listed for trading on the TSX Venture Exchange on August 17, 2012. The Company currently holds approximately 58% of the issued and outstanding shares of Red Moon. Red Moon is planning a drill program for potash and salt in 2013.

Plans for 2013

With the conversion of the Company's 50% working interest in the Bay St. George onshore petroleum permits to a 2.0% royalty (see Bay St. George above) and the sale of its offshore Labrador interest (see Labrador Offshore above), the Company is pursuing other opportunities where it can utilize its petroleum/mineral exploration expertise to add value to the Company. The Company has a relatively strong cash position and no debt which will be advantageous in acquiring and generating new projects in the currently depressed equity markets for resource companies.

The Company is undertaking a full review and integration of all geologic, geophysical and drilling data on the TL Nickel property towards formulating a new exploration program.

The Company continues to integrate all the data in the Bay St. George basin towards assisting Red Moon with its future drilling program for potash/salt.

SUMMARY OF QUARTERLY RESULTS

Quarter	Total Revenue	Net (Loss) Income	Net (Loss) Income per share
	\$	\$	\$
March 31, 2013	12,995	(222,269)	-
December 31, 2012	14,736	(810,780)	(0.02)
September 30, 2012	16,725	337,872	0.01
June 30, 2012	1,259,658	(1,139,850)	(0.02)
March 31, 2012	6,736	(54,280)	-
December 31, 2011	7,993	(848,977)	(0.01)
September 30, 2011	8,864	(394,083)	(0.01)
June 30, 2011	9,495	(152,235)	-

Total revenues quarter over quarter is limited to interest income earned every period except for June 30, 2012 in which \$1,249,551 was received as a gain on the sale of the offshore Labrador licence. Net loss was greater for the quarters ended December 31, 2012 and June 30, 2012 as a result of write-offs of PNG exploration and evaluation assets and for the quarter ended December 31, 2011 as a result of write-offs of PNG exploration and mineral deposits and higher stock based compensation and G&A costs.

LIQUIDITY

At period-end, the Company had current assets of \$5,024,203 of which \$4,851,748 is cash and cash equivalents, including \$554,074 held by the Company's consolidated subsidiary, Red Moon Potash Inc. This cash is readily available and is not subject to subprime debt issues nor asset backed commercial debt.

The Company has no long-term debt and as such is not sensitive to interest rate fluctuation on debt instruments. The Company has no unpaid accrued or contingent liabilities that could materially affect its financial position except for the item disclosed in the notes to the consolidated financial statements. The Company was required to post refundable security deposits with the Government of Newfoundland and Labrador for drilling and other petroleum operations in Western Newfoundland. The Company's cash and cash equivalents are held in bank accounts with no exposure to equity market fluctuations.

Currently, the Company has no production revenue from petroleum and natural gas or minerals. Further issuance of equity and joint venturing will be required to carry on the business of the Company in the longer term. Because of volatility in the equity and commodity markets there is no guarantee either source of funding will be available in the future.

CAPITAL RESOURCES

The Company carries out exploration on petroleum permits and mineral licenses in Newfoundland and Labrador. These tenure instruments require annual work obligations in order to maintain ownership. Failure to fulfill work obligations would result in loss of ownership interest.

The following table sets out the Company's current petroleum and mineral interests.

Tenure Instrument	Project	Interest Ownership
Petroleum Permits		
Permit 96-105	Bay St. George, Western Newfoundland	2.0% gross overriding royalty (GORR)
Permit 03-106	Bay St. George, Western Newfoundland	2.0% GORR
Permit 03-107	Bay St. George, Western Newfoundland	2.0% GORR
Mineral Licences		
015834M	TL Nickel, Labrador	100%
008838M	Bay St. George, Western Newfoundland	3.0% net production royalty (NPR)
006107M	Bay St. George, Western Newfoundland	3.0% NPR
010069M	Bay St. George, Western Newfoundland	3.0% NPR
017955M	Bay St. George, Western Newfoundland	3.0% NPR
017956M	Bay St. George, Western Newfoundland	3.0% NPR
018054M	Bay St. George, Western Newfoundland	3.0% NPR
018929M	Bay St. George, Western Newfoundland	3.0% NPR
019059M	Bay St. George, Western Newfoundland	3.0% NPR
019130M	Bay St. George, Western Newfoundland	3.0% NPR
019131M	Bay St. George, Western Newfoundland	3.0% NPR
019304M	Bay St. George, Western Newfoundland	3.0% NPR
019305M	Bay St. George, Western Newfoundland	3.0% NPR
020265M	Bay St. George, Western Newfoundland	3.0% NPR

OFF BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period, the Company paid premises rent aggregating \$11,250, which includes rent paid by Red Moon in 2013 (2012: \$6,000) to a private company owned and controlled by the President and a director of the Company. As well, he received \$52,500, which includes management fees paid by Red Moon in 2013 (2012: \$48,750) in management fees.

Directors' fees were paid during the period of \$16,250 (payable January 1 and June 1 in 2013 versus June 1 in 2012 and inclusive of directors fees paid in Red Moon in 2013) (2012 - \$Nil). Included in accounts payable and accrued liabilities are management fees due to the President of \$1,550 (2012 - \$1,550).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

PROPOSED TRANSACTIONS

The Company through its normal course of business solicits partners for some of its exploration prospects, both petroleum and minerals.

CRITICAL ACCOUNTING ESTIMATES

Any critical accounting estimates are disclosed in the consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective, as per below:

IFRS 9 Financial Instruments was issued in 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s assets include cash and cash equivalents. These cash equivalents include a bank account and a treasury account.

The Company currently holds 1,400,000 shares in Nortec, a public company pursuant to mineral property option agreements dated May 30, 2003 and July 30, 2008. The shares have been valued as an investment of \$70,000 on the balance sheet at March 31, 2013. These shares are all free trading. The Company may sell those shares at its discretion in context of the market value and prospects for Nortec.

The Company currently holds 1,796,437 shares in NWest and has recorded the shares at market of \$215,572 on the balance sheet at March 31, 2013. The Company may sell those free trading shares at its discretion in context of the market value and prospects for NWest.

The Company currently holds 150,000 shares in Commander Resources Ltd., a public company, pursuant to a mineral property letter agreement dated February 27, 2007. The shares have been valued as an investment of \$6,000 on the balance sheet at March 31, 2013. The Company may sell those shares at its discretion in context of the market value and prospects for Commander Resources Ltd.

Business Risks

The Company is a junior exploration company principally involved in mineral and oil and gas exploration which is an inherently high-risk activity. The business of exploring for, developing, acquiring, producing oil and natural gas and minerals is subject to many risks and uncertainties, several of which are beyond the control of the Company. These risks are operational, financial, legal and regulatory in nature.

Operational risks include unsuccessful exploration and development drilling activity, reservoir performance, safety and environmental concerns, access to cost effective contract services, escalating industry costs for contracted services and equipment, product marketing and hiring and retaining qualified employees.

The Company is subject to financial risk as exploration is capital intensive and the Company has no sources of funding other than equity financing and joint venture financing arrangements. Only

the skills of management and staff in mineral and oil and gas exploration and exploration financing serve to mitigate these risks.

The Company is subject to a variety of regulatory risks that it does not control. Government and Securities regulations are monitored to ensure the Company continues to be in compliance.

The Company also mitigates many of the above risks by having diversified exploration projects at low cost to the Company and to attract JV partners to finance further exploration. The more projects that can be generated and the longer the Company can obtain financing the better its chances for achieving success. The Company has been in business for 18 years and has a solid foundation technically, corporately and financially to go forward and be positioned for future success.

Financial Risk Factors

Other financial risk factors in which the Company is exposed to are outlined below:

Credit risk

Management believes that the credit risk with respect to accounts receivable is immaterial. The credit risk on cash is limited because the counterparty is a chartered bank with a high credit rating. The Company does not expect any liquidity issues or credit losses on these amounts.

Liquidity risk

The Company believes it has sufficient liquidity to meet its current obligations as a result of securing additional funds through equity and partnering transactions. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flows.

Commodity price risk

The recoverability of the Company's petroleum and natural gas and mineral properties is partially related to the market price of oil and gas and base metals. The Company does not hedge this exposure to fluctuations in commodity prices. Commodity price risk from a production perspective is not applicable because the Company is not a producing entity. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices.

Interest rate risk

The Company's cash balances are held in bank accounts or invested in short-term deposit certificates. The Company has no debt. The Company believes its interest rate risk is not significant.

Foreign exchange risk

The majority of transactions for the Company are in Canadian funds. The Company believes its foreign exchange risk is minimal.

Market Price Risk

The value of the Company's investments is exposed to fluctuations in value depending on a number of factors, including the quoted market price and the market value of the commodities that the companies may focus on. The Company does not utilize any derivative contracts to reduce this exposure.

SHARE CAPITAL

As of the date of this management discussion and analysis the Company has 58,526,129 voting common shares outstanding. The Company's share capital consists of an unlimited number of

voting common shares and an unlimited number of preferred shares of which there are none outstanding.

As a result of the corporate reorganization in which certain mineral assets were transferred to Red Moon, the number of the Company's shares issuable upon exercise of the Company's outstanding stock options and warrants were increased and the exercise price per share of each such stock option and warrant were reduced. The term to expiry, conditions to and manner of exercising, vesting schedule, adjustment provisions, status under applicable laws and all other terms and conditions of the stock options and warrants remain unchanged. The resulting changes are set forth below.

At the end of the period, the Company had outstanding 4,992,761 options to purchase voting common shares consisting of the following:

Date Issued	Number	Exercise Price	Details
June 27, 2008	911,889	\$0.99	Employee & Directors' Options Expiry June 27, 2013
April 22, 2009	360,443	\$0.44	Director's Options, Expiry April 22, 2014
August 3, 2010	978,345	\$0.44	Director's Options, Expiry August 3, 2015
August 3, 2010	365,592	\$0.44	Employee Options, Expiry August 3, 2013
September 1, 2010	51,492	\$0.44	Employee Options, Expiry September 1, 2013
February 1, 2013	2,000,000	\$0.10	Director's & Officers Options, Expiry February 1, 2018
February 14, 2013	325,000	\$0.10	Employee Options, Expiry February 14, 2018

At the end of the period, the Company had 182,951 warrants exercisable into voting common shares consisting of the following:

Date Issued	Number	Exercise Price	Details
December 29, 2011	182,951	\$0.29	Expiry December 29, 2013

ADDITIONAL INFORMATION

All corporate disclosure documents are filed on www.sedar.com. Additional information regarding the Company's projects and activities are available at www.vulcanminerals.ca.

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, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$ 4,851,748	\$ 5,129,360
Accounts receivable	24,511	14,033
Prepaid expenses	14,720	28,026
Deposits	24,000	24,000
Inventory	109,224	109,224
	5,024,203	5,304,643
Deposits	286,400	286,400
Investments (Note 4)	291,572	239,179
Mineral exploration and evaluation (Note 5)	529,401	451,901
Petroleum and natural gas exploration and evaluation (Note 6)	3,598,967	3,598,967
Equipment (Note 7)	152,386	162,989
Total Assets	\$ 9,882,929	\$ 10,044,079
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 64,087	\$ 63,713
Deferred income taxes (Note 8 (a))	52,111	96,161
Total Liabilities	116,198	159,874
Equity		
Shareholders' equity	9,353,953	9,438,175
Non-controlling interest	412,778	446,030
	9,766,731	9,884,205
Total Liabilities and Equity	\$ 9,882,929	\$ 10,044,079

Nature of operations (Note 1)

Contingency (Note 13)

Approved on behalf of the Board of Directors on May 3, 2013

Patrick J. Laracy ("signed") **Director**

Rex Gibbons ("signed") **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)	2013	2012
Other Income (Expenses)		
Interest income	\$ 12,995	\$ 6,736
Management, salaries, subcontract fees & benefits	(161,244)	(109,866)
Directors Fees	(16,250)	-
Transfer agent, regulatory & professional fees	(21,512)	(31,271)
Conferences, travel & accomodation	(30,875)	(18,331)
Office & other	(44,820)	(15,535)
Stock-based compensation	-	(39,635)
Depreciation	(12,210)	(16,464)
Net loss before income taxes	(273,916)	(224,366)
Income taxes		
Deferred income tax recovery (Note 8 (b))	51,647	170,086
	51,647	170,086
Net loss	\$ (222,269)	\$ (54,280)
Net loss attributable to:		
Common shareholders	(189,017)	(54,280)
Non-controlling interest	(33,252)	-
	\$ (222,269)	\$ (54,280)
Net loss per share - basic and diluted	\$ -	\$ -
Weighted-average number of common shares outstanding - basic and diluted	57,580,477	57,526,129

Condensed Consolidated Statements of Comprehensive (Loss) Income (unaudited) Three Months Ended March 31

(in Canadian dollars)	2013	2012
Net loss	\$ (222,269)	\$ (54,280)
Other comprehensive income:		
Change in unrealized gain on available-for-sale financial assets, (net of tax)	44,795	268,715
Comprehensive (loss) income	\$ (177,474)	\$ 214,435
Comprehensive (loss) income attributable to:		
Common shareholders	(144,222)	214,435
Non-controlling interest	(33,252)	-
	\$ (177,474)	\$ 214,435

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
	<i>Notes 9 (a) and (b)</i>	<i>Note 9 (c)</i>						
Balance, December 31, 2011	\$ 19,543,102	\$ 2,797,245	\$ 5,250	\$ (231,261)	\$ (10,475,022)	\$ 11,639,314	\$ -	\$ 11,639,314
Net loss and comprehensive loss, January 1, 2012 - December 31, 2012				(157,882)	(1,619,101)	(1,776,983)	(47,937)	(1,824,920)
Stock options vested during the year		68,999				68,999		68,999
Corporate re-organization adjustments	(70)	812	70			812		812
NCI as result of corporate re-organization	(493,967)					(493,967)	493,967	-
Balance, December 31, 2012	\$ 19,049,065	\$ 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				44,795	(189,017)	(144,222)	(33,252)	(177,474)
Issuance of shares for property	60,000					60,000		60,000
Balance, March 31, 2013	\$ 19,109,065	\$ 2,867,056	\$ 5,320	\$ (344,348)	\$ (12,283,140)	\$ 9,353,953	\$ 412,778	\$ 9,766,731

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)	2013	2012
Operating Activities		
Interest receipts	\$ 12,995	\$ 6,736
Operating payments	(271,500)	(177,830)
	(258,505)	(171,094)
Investing Activities		
Mineral properties expenditures	(17,500)	-
Petroleum and natural gas properties expenditures	-	(43,238)
Acquisition of equipment	(1,607)	(950)
	(19,107)	(44,188)
Cash outflow	(277,612)	(215,282)
Cash and cash equivalents, beginning of year	5,129,360	2,157,286
Cash and Cash Equivalents, end of period	\$ 4,851,748	\$ 1,942,004
Cash and cash equivalents are comprised of:		
Deposits with banks	\$ 4,851,748	\$ 736,089
Guaranteed investment certificates, interest rate of Nil (2012-1.0%)	-	1,205,915
	\$ 4,851,748	\$ 1,942,004

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2013 and 2012

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Vulcan Minerals Inc. and its subsidiaries (the "Company") are engaged in the evaluation, acquisition and exploration of mineral and petroleum and natural gas properties in Newfoundland and Labrador. 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.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 3, 2013.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting principles and practices as applied in these interim condensed consolidated financial statements for the period ended March 31, 2013 remain unchanged from the year ended December 31, 2012. These policies have been retrospectively and consistently applied.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investments and share-based compensation which are measured at fair value.

In these interim condensed consolidated financial statements, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements and accompanying notes disclosed in the Company's report for the year ended December 31, 2012. These interim condensed consolidated financial statements have been prepared following the same accounting policies and methods of computation as the year-end financial statements for the Company for the year ended December 31, 2012 as described in note 3 of the December 31, 2012 consolidated financial statements.

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2013 and 2012

4. INVESTMENTS

	31-Mar-13	31-Dec-12
	\$	\$
Investments	291,572	239,179

Investments, classified as available for sale, consist of:

Shares in a public company received as consideration for option payments on mineral claims with a cost of \$123,600. At March 31, 2013, the market value of the shares is \$70,000 (December 31, 2012 - \$70,000).

Shares in a public company in which the Company transferred its interest in an offshore exploration license with a cost of \$497,223. At March 31, 2013, the market value of the shares is \$215,572 (December 31, 2012 - \$161,679).

Shares in a public company received as consideration for option payments on mineral claims with an original value of \$93,000. At March 31, 2013, the market value of the shares is \$6,000 (December 31, 2012 - \$7,500).

5. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 14 mineral licenses (13 of which are held by Red Moon Potash Inc.) (December 31, 2012 - 14), which consists of 1,674 claims (December 31, 2012 - 1,674), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. All of these licenses are in the exploration and evaluation stage. A summary of the costs of these licenses is as below.

	31-Mar-13			31-Dec-12		
	Balance, Beginning of Year	Additions	Balance, End of Period	Balance, Beginning of Year	Additions	Balance, End of Year
	\$	\$	\$	\$	\$	\$
Property acquisition costs	139,561	60,000	199,561	139,561		139,561
Exploration costs	800,532	17,500	818,032	786,499	14,033	800,532
Options payments received	(53,181)	-	(53,181)	(53,181)	-	(53,181)
Cost of properties sold/abandoned	(435,011)	-	(435,011)	(435,011)	-	(435,011)
	451,901	77,500	529,401	437,868	14,033	451,901

\$Nil (December 31, 2012 - \$1,781) of the current year additions related to share-based compensation costs capitalized to mineral exploration and evaluation.

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2013 and 2012

6. PETROLEUM AND NATURAL GAS EXPLORATION AND EVALUATION ASSETS

The Company holds a database of geological and geophysical data. A summary of the costs of these assets is as below.

	31-Mar-13		31-Dec-12		Balance, End of Year	
	Balance, Beginning of Year	Net Change	Balance, End of Period	Balance, Beginning of Year		Net Change
	\$	\$	\$	\$	\$	
Petroleum and natural gas costs	14,343,432	-	14,343,432	14,274,035	69,397	14,343,432
Cost of sold/abandoned properties	(10,744,465)	-	(10,744,465)	(4,481,839)	(6,262,626)	(10,744,465)
	3,598,967	-	3,598,967	9,792,196	(6,193,229)	3,598,967

Amounts not subject to depreciation are \$3,598,967 (December 31, 2012 - \$3,598,967). There is no depreciation recorded on these properties since all properties are unproven properties. In the current year, \$Nil (December 31, 2012 - \$7,769) of additions related to share-based compensation costs were capitalized to petroleum and natural gas exploration and evaluation.

7. EQUIPMENT

	31-Mar-13				31-Dec-12			
	Drilling Rig	Furniture & Fixtures	Computer Equipment	TOTALS	Drilling Rig	Furniture & Fixtures	Computer Equipment	TOTALS
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	798,368	11,540	57,575	867,483	798,368	11,377	47,650	857,395
Additions	-	500	1,107	1,607	-	163	9,925	10,088
Opening depreciation	(657,890)	(8,810)	(37,794)	(704,494)	(597,685)	(8,148)	(31,443)	(637,276)
Adjustments to depreciation	(10,536)	(149)	(1,525)	(12,210)	(60,205)	(662)	(6,351)	(67,218)
Closing balance	129,942	3,081	19,363	152,386	140,478	2,730	19,781	162,989

As at March 31, 2013, \$253,354 of accumulated depreciation of the drilling rig (December 31, 2012 - \$253,354) has been capitalized to petroleum and natural gas exploration and evaluation; \$10,536 has been expensed for the period ended March 31, 2013 (December 31, 2012 - \$60,205).

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2013 and 2012

8. INCOME TAXES

a) *Deferred income taxes*

The components of the deferred income tax liability are as follows:

	31-Mar-13	31-Dec-12
	\$	\$
Temporary differences related to petroleum, natural gas and mineral exploration and evaluation	281,296	247,825
Tax effect of unrealized losses on available-for- sale financial assets	(55,266)	(62,863)
Share issuance costs	(52,472)	(61,700)
Non-capital loss carryforwards	(121,447)	(27,101)
Asset retirement obligations	-	-
Recognized deferred tax liability	52,111	96,161

b) *Income tax rates*

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 29% (2012 – 29%) to net loss before income taxes as follows:

	31-Mar-13	31-Dec-12
	\$	\$
Expected income tax recovery	(79,567)	(705,509)
Share-based compensation costs	-	17,476
Effect of changes in temporary differences and other items	27,920	(77,754)
Deferred income taxes recovery	(51,647)	(765,787)

9. SHARE CAPITAL

a) *Authorized*

Unlimited number of voting common shares
Unlimited number of preferred shares, issuable in series

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2013 and 2012

9. SHARE CAPITAL (continued)

b) Issued and outstanding

	31-Mar-13		31-Dec-12	
	Number	Stated Value \$	Number	Stated Value \$
Common Shares				
Balance, beginning of year	57,526,129	19,049,065	57,526,129	19,543,102
Issued pursuant to mineral property acquisition	1,000,000	60,000	-	-
Adjustment as result of corporate reorganization	-	-	-	(70)
Non-controlling interest as result of corporate re-organization	-	-	-	(493,967)
Balance, end of period	58,526,129	19,109,065	57,526,129	19,049,065

In March 2013, the Company purchased 51% in the TL Nickel property from Nortec Minerals Corp. for 1,000,000 common shares of the Company valued at \$60,000 and a 1% net smelter royalty subject to certain buyback provisions; the Company now owns 100% working interest in the property.

In August 2012, the Company completed a corporate re-organization in which certain mineral assets were spun out into a subsidiary of the Company, Red Moon Potash Inc. ("Red Moon"). As a result of this spin-out, the Company received 20,499,999 common shares of Red Moon for the mineral asset of which 15,000,000 shares were returned to the shareholders of the Company by way of a return of capital. The \$70 adjustment to share capital relates to the revaluation of warrants. The \$493,967 recorded relates to the non-controlling interest in Red Moon as a result of this corporate reorganization (i.e., the 15,000,000 common shares distributed to Vulcan shareholders). The Company currently holds 20,500,000 shares in Red Moon, being 57.75% of the issued and outstanding shares of Red Moon.

(c) Contributed Surplus

A summary of contributed surplus is as follows:

	31-Mar-13	31-Dec-12
	\$	\$
Balance, beginning of year	2,867,056	2,797,245
Share-based compensation	-	68,999
Adjustment as a result of corporate reorganization	-	812
Balance, end of period	2,867,056	2,867,056

VULCAN MINERALS INC.

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10. SHARE-BASED COMPENSATION

a) Stock options

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 shall be 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:

	31-Mar-13		31-Dec-12	
	Number of	Weighted-	Number of	Weighted-
	Options	Average	Options	Average
		Exercise Price		Exercise Price
		\$		\$
Outstanding, beginning of year	2,667,761	0.63	4,130,000	0.60
Granted	2,325,000	0.10	-	-
Expired/cancelled	-	-	(1,525,000)	0.52
Adjustment as result of corporate reorganization	-	-	62,761	-
Outstanding, end of period	4,992,761	0.63	2,667,761	0.60
Granted but not vested	(2,325,000)	0.10	-	-
Outstanding and exercisable, end of period	2,667,761	0.63	2,667,761	0.63

The weighted average remaining contractual life of outstanding options is 2.87 years (December 31, 2012 – 1.39 years).

12. RELATED PARTY TRANSACTIONS

	31-Mar-13	31-Dec-12
	\$	\$
Rent paid by Vulcan Minerals (2012) and Vulcan Minerals and Red Moon Potash (2013) to a corporation which is controlled by the President of the Company	11,250	24,000

VULCAN MINERALS INC.

Notes to the Interim Condensed Consolidated Financial Statements

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13. CONTINGENCY

In 2011, the Company was served with a statement of claim by Geophysical Services 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.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick J. Laracy
President and Chairman

Dawn E. Bishop
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

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