VULCAN MINERALS INC

Interim Condensed Consolidated Financial Statements

For the Nine Months Ended September 30, 2013 and 2012

(Unaudited)

VULCAN MINERALS INC.
September 30, 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. ("Red Moon"). Red Moon was listed on the TSX Venture Exchange on August 17, 2012 and its financial results were first reported on the Company's financial statements for the quarter ended September 30, 2012.

General Business

The Company is engaged in mineral and petroleum exploration on properties in Canada. 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 September 30, 2013 and accompanying notes.

DATE

The date of this MDA is November 5, 2013.

OVERALL PERFORMANCE

For the period ended September 30, 2013, total assets decreased to $9,344,535 (2012 - $11,451,883) reflecting a decrease in cash from $5,719,527 to $4,017,347 (net cash less payables decreased from $4,987,062 to $3,995,798), a decrease in petroleum and natural gas exploration and evaluation assets from $4,301,235 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 mineral exploration and evaluation assets from $451,799 to $926,504. Current liabilities related to normal trade payables and current exploration activities decreased to $21,549 (2012 - $732,465). Interest income of $32,126 was lower than the prior year (2012 - $33,568) due to decreased cash balances throughout the year. 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 September 30, 2013 as they include applicable expenses for both the Company and Red Moon ($701,805) compared to September 30, 2012 ($641,597) which only included the Company's expenses and one month's expenses for Red Moon because Red Moon did not become an active company until listed on the TSX Venture Exchange on August 17, 2012 after the relevant comparable reporting period. The material components of the expenses are set forth below.

Expenses Include:	Three Months Ended Sept 30			Nine Months Ended Sept 30		
	2013	2012	Change	2013	2012	Change
	$	$	%	$	$	%
Management, Salaries, Subcontract Fees & Benefits (incld reimbursements)	**127,322**	127,520	0%	**403,912**	358,895	13%
Directors Fees	-	-	-	**32,500**	14,000	132%
Transfer Agent, Regulatory & Professional Fees	**31,028**	64,064	-52%	**109,620**	134,620	-19%
Conferences, Travel & Accommodation	**5,295**	24,328	-78%	**42,699**	47,133	-9%
Office & Other (incld reimbursements)	**31,158**	41,428	-25%	**113,074**	86,949	30%

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. Directors' fees include the directors' fees of Red Moon ($12,500 in 2013, $Nil in 2012). Transfer agent, regulatory and professional fees were lower in 2013 as Q3 2012 included costs related to the spin out of Red Moon. Conferences, travel and accommodation were lower in 2013 as a result of decreased attendance at investor tradeshows during Q3. Reimbursements of other office costs in 2013 were lower as personnel spent more time during 2012 on compensated joint venture projects. There was a net loss for the period of $674,532 compared to a net loss of $856,258 in 2012. Net loss was lower in 2013 because in 2012 there were write-offs of petroleum and natural gas assets of $2,216,303 and offset by other income of $1,249,551, and a higher deferred income tax recovery of $831,338 (2013-$91,961).

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 in late June that they were re-entering and deepening the Hurricane #2 well on permit 96-107 in western Newfoundland. Hurricane #2 was a well drilled by the Company in 2005 to a depth of 935 metres. The well had petroleum shows in the shallow section and was suspended pending further evaluation at that time. Investcan deepened the well to further evaluate the geologic section and petroleum prospectivity. The well is currently suspended pending further evaluation.

Investcan has also re-entered and is conducting workover operations on Gobineau #1, a well drilled in late 2012 on Permit 03-106 in the Flat Bay area. Investcan's previously announced two new proposed wells, Thoulet #1 and #2 are currently proceeding through the environmental review process. The proposed Thoulet wells have targeted depths of up to 2,000 metres each. Drilling is planned to commence upon environmental approval. They have a preliminary combined budget of $10 million. 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. Investcan is currently soliciting partners to drill the 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. Subsequently, Shoal Point Energy has entered into an agreement with Black Spruce Exploration Corp. wherein Black Spruce Exploration Corp. may earn into and become operator of Shoal Point Energy's interests in western Newfoundland.

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. 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% K_2O (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 61% of the issued and outstanding shares of Red Moon. The Company designed and managed a drilling program on behalf of Red Moon in June and July 2013. Two holes were drilled offsetting the Captain Cook #1 discovery representing stepouts of 1,000 meters to the northeast and 500 meters to the southwest. Each hole intersected the potash zone near its depositional margins where potash development is less intense than at Captain Cook #1. The cores from the new holes have been sampled for NaCl (salt) concentrations; the results will be released by Red Moon when available.

Athabasca Uranium

In September 2013, the Company applied for ten metallic and industrial mineral permits in the western Athabasca area of Alberta approximately 50 km east of Fort McMurray covering 91,648 hectares. These permits were issued to the Company by the Alberta Department of Energy in October 2013. The primary target of the permits is western Athabasca Basin style uranium deposits similar to the recent discoveries of Fission Uranium Corp. and Alpha Minerals Inc. at Paterson Lake South approximately 50 miles northeast. The Paterson Lake South discovery has attracted significant market interest and a staking rush in the western margins of the Athabasca Basin. The Vulcan permits lie along a major basement magnetic lineament connecting to the Paterson Lake area. Based on regional and local geology the prospective Precambrian basement rocks are overlain by a veneer of Phanerozoic cover sediments. These cover rocks have provided a degree of protection from erosion to any underlying deposits and a potential trapping mechanism for any rejuvenated mineralized fluids. The Company continues to compile relevant information regarding the potential for uranium deposits. The primary targets on the permits are generally interpreted to occur at depths less than 300 metres.

Plans for 2013

Subsequent to re-acquiring 100% working interest in the TL Nickel property, the Company has been and will continue to undertake a full review and integration of all geologic, geophysical and drilling data on the property towards formulating a new exploration program.

The Company will continue to provide project management, technical and field operation management and administration in support of Red Moon’s potash/salt drilling program in western Newfoundland. This is a cost efficient use of the Company’s skill and experience in operating in this area.

The Company is compiling information regarding the new permits recently acquired in Athabasca and the potential for uranium deposits.

The Company also continues to review potential project acquisitions.

SUMMARY OF QUARTERLY RESULTS

Quarter	Total Revenue	Net (Loss) Income	Net (Loss) Income per share
	$	$	$
September 30, 2013	**5,867**	(271,532)	-
June 30, 2013	**13,264**	(180,731)	-
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)

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 $4,184,882 of which $4,017,347 is cash and cash equivalents, including $265,399 held by the Company's consolidated subsidiary, Red Moon Potash Inc. Red Moon is also eligible for a grant from the Government of Newfoundland and Labrador through the junior exploration assistance program as a contribution to the 2013 drilling program. The grant is equal to 50% of eligible exploration costs incurred between April 1, 2013 and December 31, 2013 up to a minimum of $60,000 and potentially up to $100,000 depending on the ultimate availability of funds in the program. This grant has not been included in the financial statements for the period ended September 30, 2013.

Cash held by the Company and its subsidary 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%
019305M	Bay St. George, Western Newfoundland	3.0% net production royalty (NPR)
021206M	Bay St. George, Western Newfoundland	3.0% NPR
021213M	Bay St. George, Western Newfoundland	3.0% NPR
021214M	Bay St. George, Western Newfoundland	3.0% NPR

Tenure Instrument	Project	Interest Ownership
021215M	Bay St. George, Western Newfoundland	3.0% NPR
021217M	Bay St. George, Western Newfoundland	3.0% NPR
021226M	Bay St. George, Western Newfoundland	3.0% NPR
021227M	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 $33,750 (2012 - $18,000), which includes rent paid by Red Moon in 2013 of $15,750 (2012 – N/A) to a private company owned and controlled by the President and a director of the Company. As well, he received management fees of $157,500 (2012 - $146,250), which includes management fees paid by Red Moon in 2013 of $13,750 (2012 – N/A). Included in accounts payable and accrued liabilities are management fees due to the President of $1,550 (2012 – $1,550).

Directors' fees were paid during the period of $32,500 (2012 - $14,000) (inclusive of directors fees paid in Red Moon in 2013 of $12,500 (2012 – N/A)).

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 $56,000 on the balance sheet at September 30, 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 $143,715 on the balance sheet at September 30, 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 $10,500 on the balance sheet at September 30, 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 it 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 3,663,789 options to purchase voting common shares consisting of the following:

Date Issued	Number	Exercise Price	Details
April 22, 2009	360,444	$0.44	Director's Options, Expiry April 22, 2014
August 3, 2010	978,345	$0.44	Director's Options, Expiry August 3, 2015
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)		**September 30, 2013**		December 31, 2012
Assets				
Current assets				
Cash and cash equivalents	**$**	**4,017,347**	$	5,129,360
Accounts receivable		**31,922**		14,033
Prepaid expenses		**2,389**		28,026
Deposits		**24,000**		24,000
Inventory		**109,224**		109,224
		4,184,882		5,304,643
Deposits		**286,000**		286,400
Investments (Note 4)		**210,215**		239,179
Mineral exploration and evaluation (Note 5)		**926,504**		451,901
Petroleum and natural gas exploration and evaluation (Note 6)		**3,598,967**		3,598,967
Equipment (Note 7)		**127,967**		162,989
Total Assets	**$**	**9,334,535**	$	10,044,079
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**21,549**	$	63,713
Deferred income taxes (Note 8 (a))		**-**		96,161
Total Liabilities		**21,549**		159,874
Equity				
Shareholders' equity		**8,956,953**		9,438,175
Non-controlling interest		**356,033**		446,030
		9,312,986		9,884,205
Total Liabilities and Equity	**$**	**9,334,535**	$	10,044,079

Nature of operations (Note 1)

Contingency (Note 13)

Approved on behalf of the Board of Directors on November 5, 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)

(in Canadian dollars)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Other Income (Expenses)				
Interest income	**$ 5,867**	$ 16,725	**$ 32,126**	$ 33,568
Gain on sale of petroleum and natural gas exploration and evaluation	**-**	-	**-**	1,249,551
Write-off/loss of petroleum and natural gas exploration and evaluation	**-**	(8,505)	**-**	(2,216,303)
Management, salaries, subcontract fees & benefits	**(127,322)**	(127,520)	**(403,912)**	(358,895)
Directors Fees	**-**	-	**(32,500)**	(14,000)
Transfer agent, regulatory & professional fees	**(31,028)**	(64,064)	**(109,620)**	(134,620)
Conferences, travel & accomodation	**(5,295)**	(24,328)	**(42,699)**	(47,133)
Office & other	**(31,158)**	(41,428)	**(113,074)**	(86,949)
Stock-based compensation	**(60,184)**	(20,626)	**(60,184)**	(60,261)
Depreciation	**(12,210)**	(16,558)	**(36,630)**	(52,554)
Net loss before income taxes	**(261,330)**	(286,304)	**(766,493)**	(1,687,596)
Income taxes				
Deferred income tax (expense) recovery (Note 8 (b))	**(10,202)**	624,176	**91,961**	831,338
	(10,202)	624,176	**91,961**	831,338
Net loss	**$ (271,532)**	$ 337,872	**$ (674,532)**	$ (856,258)
Net loss attributable to:				
Common shareholders	**(246,013)**	352,617	**(584,535)**	(841,513)
Non-controlling interest	**(25,519)**	(14,745)	**(89,997)**	(14,745)
	$ (271,532)	$ 337,872	**$ (674,532)**	$ (856,258)
Net loss per share - basic and diluted	**$ -**	$ -	**$ (0.01)**	$ (0.01)
Weighted-average number of common shares outstanding - basic and diluted	**58,529,129**	57,526,129	**58,214,774**	57,526,129

Condensed Consolidated Statements of Comprehensive Loss (unaudited)

(in Canadian dollars)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net loss	**$ (271,532)**	$ 337,872	**$ (674,532)**	$ (856,258)
Other comprehensive income:				
Change in unrealized loss on available-for-sale financial assets, (net of tax)	**(60,155)**	(29,435)	**(24,765)**	(144,343)
Comprehensive loss	**$ (331,687)**	$ 308,437	**$ (699,297)**	$ (1,000,601)
Comprehensive (loss) income attributable to:				
Common shareholders	**(306,168)**	323,182	**(609,300)**	(985,856)
Non-controlling interest	**(25,519)**	(14,745)	**(89,997)**	(14,745)
	$ (331,687)	$ 308,437	**$ (699,297)**	$ (1,000,601)

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
	Notes 9 (a) and (b)	*Note 9 (c)*						
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 - September 30, 2012				(144,343)	(841,513)	(985,856)	(14,745)	(1,000,601)
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, September 30, 2012	$ 19,049,065	$ 2,867,056	$ 5,320	$ (375,604)	$ (11,316,535)	$ 10,229,302	$ 479,222	$ 10,708,524
Net loss and comprehensive loss, October 1, 2012 - December 31, 2012				(13,539)	(777,588)	(791,127)	(33,192)	(824,319)
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 - September 30, 2013				(24,765)	(584,535)	(609,300)	(89,997)	(699,297)
Issuance of shares for property	60,000					60,000		60,000
Private Placement	(2,125)					(2,125)		(2,125)
Stock options vested during the year		70,203				70,203		70,203
Balance, September 30, 2013	**$ 19,106,940**	**$ 2,937,259**	**$ 5,320**	**$ (413,908)**	**$ (12,678,658)**	**$ 8,956,953**	**$ 356,033**	**$ 9,312,986**

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.

Condensed Consolidated Statements of Cash Flows (unaudited)
Nine Months Ended September 30

(in Canadian dollars)		2013		2012
Operating Activities				
Interest receipts	**$**	**32,126**	$	16,843
Operating payments		**(721,927)**		(452,028)
		(689,801)		(435,185)
Financing Activities				
Share issuance costs		**(2,126)**		-
		(2,126)		-
Investing Activities				
Mineral properties expenditures		**(418,479)**		(12,000)
Petroleum and natural gas properties expenditures		**-**		(18,093)
Petroleum and natural gas properties proceeds from divestments		**-**		4,250,000
Acquisition of equipment		**(1,607)**		(950)
		(420,086)		4,218,957
Cash outflow		**(1,112,013)**		3,783,772
Cash and cash equivalents, beginning of year		**5,129,360**		2,157,286
Cash and Cash Equivalents, end of period	**$**	**4,017,347**	$	5,941,058
Cash and cash equivalents are comprised of:				
Deposits with banks	**$**	**2,015,498**	$	4,732,582
Guaranteed investment certificates		**2,001,849**		1,208,476
	$	**4,017,347**	$	5,941,058

See accompanying notes to the consolidated financial statements

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 Canada. 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 November 5, 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 September 30, 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.

4. INVESTMENTS

	30-Sep-13	31-Dec-12
	$	$
Investments	**210,215**	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 September 30, 2013, the market value of the shares is $56,000 (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 September 30, 2013, the market value of the shares is $143,715 (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 September 30, 2013, the market value of the shares is $10,500 (December 31, 2012 – $7,500).

5. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has nine mineral licenses (eight of which are held by Red Moon Potash Inc.) (December 31, 2012 – 14), which consists of 1,532 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.

	30-Sep-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**	**414,603**	**1,215,135**	**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	**474,603**	**926,504**	437,868	14,033	451,901

$10,019 (December 31, 2012 - $1,781) of the current year additions related to share-based compensation costs capitalized to mineral exploration and evaluation.

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.

	30-Sep-13			31-Dec-12		
	Balance, Beginning of Year	**Net Change**	**Balance, End of Period**	Balance, Beginning of Year	Net Change	Balance, End of Year
	$	**$**	**$**	$	$	$
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

	30-Sep-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	**(31,608)**	**(446)**	**(4,575)**	**(36,629)**	(60,205)	(662)	(6,351)	(67,218)
Closing balance	**108,870**	**2,784**	**16,313**	**127,967**	140,478	2,730	19,781	162,989

As at September 30, 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; $31,608 has been expensed for the period ended September 30, 2013 (December 31, 2012 - $60,205).

8. INCOME TAXES

a) Deferred income taxes

The Company has an unrecorded deferred income tax asset at September 30, 2013 as follows:

	30-Sep-13	31-Dec-12
	$	$
Temporary differences related to petroleum, natural gas and mineral exploration and evaluation	**302,747**	247,825
Tax effect of unrealized losses on available-for-sale financial assets	**(67,062)**	(62,863)
Share issuance costs	**(34,015)**	(61,700)
Non-capital loss carryforwards	**(275,914)**	(27,101)
(Unrecognized)/recognized deferred tax (asset) liability	**(74,244)**	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:

	30-Sep-13	31-Dec-12
	$	$
Expected income tax recovery	**(222,283)**	(705,509)
Share-based compensation costs	**17,453**	17,476
Effect of changes in temporary differences and other items	**112,869**	(77,754)
Deferred income taxes recovery	**(91,961)**	(765,787)

9. SHARE CAPITAL

a) Authorized

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

9. SHARE CAPITAL (continued)

b) Issued and outstanding

	30-Sep-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)
Fair value of warrants and stock options	-	-	-	-
Share issuance cost	-	**(2,125)**	-	-
Balance, end of period	**58,526,129**	**19,106,940**	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 23,000,000 shares in Red Moon, being 60.5% of the issued and outstanding shares of Red Moon.

(c) Contributed Surplus

A summary of contributed surplus is as follows:

	30-Sep-13	31-Dec-12
	$	$
Balance, beginning of year	**2,867,056**	2,797,245
Share-based compensation	**70,203**	68,999
Adjustment as a result of corporate reorganization	**-**	812
Balance, end of period	**2,937,259**	2,867,056

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:

		30-Sep-13		31-Dec-12
	Number of Options	**Weighted-Average Exercise Price**	Number of Options	Weighted-Average Exercise Price
		$		$
Outstanding, beginning of year	**2,667,763**	**0.63**	4,130,000	0.60
Granted	**2,325,000**	**0.10**	-	-
Expired/cancelled	**(1,328,974)**	**0.82**	(1,525,000)	0.52
Adjustment as result of corporate reorganization	**-**	**-**	62,763	-
Outstanding, end of period	**3,663,789**	**0.38**	2,667,763	0.60
Granted but not vested	**(1,114,064)**	**0.10**	-	-
Outstanding and exercisable, end of period	**2,549,725**	**0.28**	2,667,763	0.63

The weighted average remaining contractual life of outstanding options is 3.31 years (December 31, 2012 – 1.39 years).

(b) Fair value assumptions

The weighted-average fair value of stock options vested during the period ended September 30, 2013 was estimated on the dates of grant to be $0.03 (December 31, 2012 - $0.25) using the Black-Scholes option pricing model with the following weighted-average assumptions:

10. SHARE-BASED COMPENSATION (continued)

(b) Fair value assumptions (continued)

	30-Sep-13	31-Dec-12
Expected life (years)	**5.00**	4.33
Risk-fee interest rate (%)	**1.44**	1.87
Expected volatility (%)	**85**	84

During the period ended September 30, 2013, compensation costs of $40,846 (December 31, 2012 - $60,261) have been expensed, $1,467 (December 31, 2012 - $1,781) have been capitalized to mineral exploration and evaluation, and $Nil (December 31, 2012 - $7,769) has been capitalized to petroleum and natural gas exploration and evaluation, resulting in the recognition of $42,313 (December 31, 2012 - $69,811) in the share-based payment reserve.

11. SUPPLEMENTAL CASH FLOW INFORMATION

	30-Sep-13	31-Dec-12
	$	$
Share-based payment reserve recognized upon the issuance of stock options recorded as:		
Share-based compensation	**60,184**	60,261
Addition to mineral exploration and evaluation	**10,019**	1,781
Addition to petroleum and natural gas exploration and evaluation	**-**	7,769
Non-cash operating, investing, and financing activities	**70,203**	69,811
Changes in asset retirement obligations		
Accretion expense	**-**	3,068
Decrease in petroleum and natural gas exploration and evaluation	**-**	(66,276)
Decrease of asset retirement obligations	**-**	(63,208)

12. RELATED PARTY TRANSACTIONS

	30-Sep-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	**33,750**	24,000

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.

The Company has been served notice that Geophysical Services Incorporated (GSI) has made application to court in Alberta to name 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. The Company believes any related claims against it are without basis or merit and the Company is fully defending its interest.

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
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