CULLINAN METALS CORP.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Cullinan Metals Corp. (the "Company") have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

CULLINAN METALS CORP.
Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

		December 31 2021		June 30 2021
ASSETS				
Current assets				
Cash	$	174,489	$	259,770
Prepaid expenses		10,000		-
		184,489		259,770
Exploration and evaluation assets (note 4)		50,000		25,000
	$	234,489	$	284,770
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	25,000	$	11,085
		25,000		11,085
SHAREHOLDERS' EQUITY				
Share capital (note 5)		300,000		300,000
Deficit		(90,511)		(26,315)
		209,489		273,685
	$	234,489	$	284,770

Going concern (note 2)

Subsequent event (note 9)

Approved on behalf of the Board

Director *"Mark Ferguson"*
Mark Ferguson

Director *"Peter Born"*
Peter Born

The accompanying notes are an integral part of these interim financial statements

CULLINAN METALS CORP.

Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

		For the three months ended December 31 2021		For the six months ended December 31 2021
Expenses				
Accounting and audit	$	2,658	$	4,018
General and administration		131		131
Legal fees		27,729		40,565
Listing and filing fees		11,232		16,482
Management fees (note 6)		1,500		3,000
Net and comprehensive loss for the period	$	(43,250)	$	(64,196)
Basic and diluted loss per share	$	(0.01)	$	(0.01)
Weighted average number of common shares outstanding		7,500,001		7,500,001

The accompanying notes are an integral part of these interim financial statements

CULLINAN METALS CORP.
Interim Statement of Cash Flow
For the six months ended December 31, 2021
(Unaudited - Expressed in Canadian dollars)

		For the six months ended December 31 2021
Cash provided by (used in):		
Operating activities		
Net loss for the period	$	(64,196)
Non-cash working capital items		
Prepaid expenses		(10,000)
Accounts payable		13,915
Net cash (used in) operating activities		(60,281)
Investing activities		
Additions to exploration and evaluation assets		(25,000)
Net cash (used in) operating activities		(25,000)
Change in cash during the period		(85,281)
Cash at the beginning of the period		259,770
Cash at end of the period	$	174,489

The accompanying notes are an integral part of these interim financial statements

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CULLINAN METALS CORP.
Interim Statement of Changes in Equity
For the six months ended December 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Deficit	Total Shareholders' Equity
Balance at June 30, 2021	7,500,001	$ 300,000	$ (26,315)	$ 273,685
Loss for the period	-	-	(64,196)	(64,196)
Balance at December 31, 2021	7,500,001	$ 300,000	$ (90,511)	$ 209,489

The accompanying notes are an integral part of these interim financial statements

1. NATURE OF OPERATIONS

Cullinan Metals Corp. (the "Company") is in the process of identifying, acquiring and exploring mineral properties. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on January 29, 2021. The Company is currently in the exploration stage of developing its exploration and evaluation properties and has not yet determined whether they contain mineral reserves that are economically recoverable.

The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These financial statements of the Company are for the six months ended December 31, 2021 and were authorized for issue on February 23, 2022 by the directors of the Company.

2. BASIS OF PRESENTATION

Statement of compliance

These interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting. These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the period from incorporation on January 29, 2021 to June 30, 2021. The preparation of these interim financial statements is based on accounting principles and methods consistent with those used in the preparation of the audited financial statements for the period from incorporation on January 29, 2021 to June 30, 2021. The Company's interim results are not necessarily indicative of its results for a full year.

These interim financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

2. BASIS OF PRESENTATION *(continued)*

Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business.

At the date of these interim financial statements, the Company has not identified a known body of commercial grade minerals on its property. The ability of the Company to realize the costs it has incurred to date on this property is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. From incorporation on January 29, 2021 to December 31, 2021, the Company had not commenced any operations, had no profits, had an accumulated deficit of $76,600 and expects to incur losses until it successfully develops its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Company will continue as a going concern for the next year.
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

Accounting standards, interpretations and amendments issued but not yet effective

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. EXPLORATION AND EVALUATION ASSETS

The Company has an interest in a mineral property located in Quebec, Canada as at December 31, 2021.

On February 28, 2021, the Company entered into an option agreement to acquire the Lac Chavigny Gold Property, located in the province of Quebec, comprising 14 contiguous claims. The Company can acquire a 100% interest for the following consideration:

a) Cash payment of $25,000 upon execution of the Agreement (*paid*);

b) Additional cash payments of $125,000 as follows:
   i. $25,000 within five days of the “Effective Date” (defined as the Company’s shares being publicly listed and completing an initial public offering) but no later than December 1, 2021 (*paid subsequent to the period ended December 31, 2021*);
   ii. $100,000 within eighteen months of the Effective Date.

c) Issuance of 700,000 common shares as follows:
   i. 200,000 shares within five days of the Effective Date;
   ii. 500,000 shares within eighteen months of the Effective Date.

d) Completion of an aggregate of $575,000 in exploration expenditures as follows:
   i. $75,000 within eighteen months of the Effective Date;
   ii. $500,000 within twenty-eight months of the Effective Date.

The agreement is subject to a 1% Gross Overriding Royalty (GORR), one-half of which can be repurchased by the Company for $1,000,000.

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Issued

The Company issued 1 common share at a price of $0.01 on January 29, 2021.

In April 2021, the Company issued 2,500,000 units at a price of $0.02 per unit for gross proceeds of $50,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of $0.10 until April 23, 2026. All proceeds were allocated to common shares with $nil value allocated to warrants using the residual method.

In June 2021, the Company issued an additional 5,000,000 units at a price of $0.05 per unit for gross proceeds of $250,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at the price of $0.10 until June 30, 2026. All proceeds were allocated to common shares with $nil value allocated to warrants using the residual method.

Warrants

A summary of common share purchase warrants activity for the six months ended December 31, 2021 and the period from incorporation on January 29, 2021 to June 30, 2021 as follows:

	Six months ended December 31, 2021		From Incorporation on January 29, 2021 to June 30, 2021	
	Number of Warrants Exercisable	Weighted average Exercise price	Number of Warrants Exercisable	Weighted average Exercise price
Outstanding - beginning of period	7,500,000	$ 0.10	-	$ -
Unit warrants issued	-	-	7,500,000	$ 0.10
Outstanding - end of period	7,500,000	$ 0.10	7,500,000	$ 0.10

As at December 31, 2021 the following share purchase warrants were outstanding and exercisable:

Number of Warrants Exercisable	Weighted Average Exercise Price	Weighted Average remaining contractual life	Expiry Date
2,500,000	$ 0.10	4.31 years	April 23, 2026
5,000,000	$ 0.10	4.50 years	June 30, 2026
7,500,000	$ 0.10	4.44 years	

6. RELATED PARTY TRANSACTIONS

Related party transactions

Key management personnel comprise the Company's Board of Directors and executive officers.

During the six months ended December 31, 2021, no remuneration was paid to key management personnel other than as noted below:

	2021
Management fees	$ 3,000

Related party balances

Included in accounts payable at December 31, 2021 is $Nil for fees owing to directors of the Company.

7. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31 2021, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying value of cash and accounts payable approximates the fair value due to the immediate or short-term maturity of this instrument.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held in a lawyers' trust account and therefore is not subject to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined in Note 7 to the financial statements. At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company is not exposed to price risk.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Currency Risk

As at December 31 2021, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

9. SUBSEQUENT EVENT

On February 17, 2022, the Company completed its initial public offering ("IPO") in connection with its listing on the Canadian Securities Exchange ("CSE") and will trade under the symbol "CMT".

The offering of 2,785,000 common shares at $0.10 per share was fully subscribed for gross proceeds of $278,500. In connection with this IPO, the Company paid a cash commission of $27,850. In addition, the Company paid legal fees and other expenses of $45,891 relating to the IPO.