

CULLINAN METALS CORP.
(the “Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For the Six Months Ended December 31, 2021

The following management discussion and analysis (“MD&A”) has been prepared by management as of February 23, 2022, for the six months ended December 31, 2021 and should be read in conjunction with the unaudited interim financial statements and related notes of the Company for the six months ended December 31, 2021 and the audited financial statements of the Company and related notes for the period from incorporation on January 29, 2021 to June 30, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated. Additional information on the Company can be found on SEDAR at www.sedar.com. The reader should be aware that historical results are not necessarily indicative of future performance. The interim financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

FORWARD LOOKING STATEMENTS

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company’s expectations, should be considered forward-looking statements. Such statements are based on management’s exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words “may”, “will”, “anticipate”, “believe”, “estimate”, “expect”, “intend” and words of similar import, are intended to identify any forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results, performance or achievements may differ materially from those expressed or implied in such statements. You should not place undue reliance on forward-looking statements as a number of important factors, many of which are beyond our control, could cause actual results, performance or achievements to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors that relate to our company include, but are not limited to: execution of the business plan; expansion plans; dependence on key personnel; key relationships; dependence on key customers; dependence on key suppliers; competition; market factors and volatility of commodity prices; operating risks; proprietary rights; infrastructure; future capital requirements; technical substitution; exchange rate fluctuations; insurance; weather conditions and natural disasters; control by management; seasonality; dividends; conflicts of interest; global financial conditions; change of law; government sector intervention; foreign investment; repatriation of profit and currency conversion; tax; shareholders’ rights and enforcement judgments; protection of intellectual property rights; permits and business licenses; appropriation. Should one or more of these factors materialize or should the Company’s estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements.

The Company cannot assure readers that actual results, performance and achievements will be consistent with these forward-looking statements, and the differences may be material. The Company undertakes no obligation to update any forward-looking statements except as required by law.

OVERVIEW

Cullinan Metals Corp. was incorporated as a private company by Certificate of Incorporation pursuant to the provisions of the British Columbia Business Corporations Act on January 29, 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.

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.

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.

SELECTED FINANCIAL INFORMATION

| | 3 Months ended Dec 31, 2021 \$ | 3 Months ended Sep 30, 2021 \$ | Incorporation on Jan 29, 2021 to June 30, 2021 \$ |
|---------------------------------------|---|---|---|
| Total revenue | Nil | Nil | Nil |
| Loss for the period | (43,250) | (20,946) | (26,315) |
| Net loss per share, basic and diluted | 0.01 | 0.00 | 0.02 |
| Total assets | 234,489 | 266,029 | 284,770 |
| Total liabilities | 25,000 | 13,290 | 11,085 |
| Total shareholders' equity | 209,489 | 252,739 | 273,685 |

RESULTS OF OPERATIONS

The selected financial information is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

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.

At December 31, 2021, total assets were \$234,489 compared to \$284,770 at June 30, 2021. The Company has no operating revenues. Expenses of \$64,196 during the six months ended December 31, 2021 were incurred as management implemented the Company’s business plan. No dividends were declared or paid nor are any contemplated.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, the Company had current assets of \$184,489, including cash of \$174,489, and had current liabilities of \$25,000 resulting in working capital of \$159,489.

During the six months ended December 31, 2021, operating activities used \$60,281 in cash. Investing activities consisted of \$25,000 used in acquisition expenditures on the Lac Chavigny Gold Property.

The Company had no financing activities in this period.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company has sufficient working capital at this time to meet its current financial obligations.

CAPITAL MANAGEMENT

The Company's objectives in managing its capital are: to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit. In order for the Company to carry out planned exploration, additional equity financing may be required.

The Company is not subject to any externally imposed capital requirements. Funds are secured, when necessary, through the sale of common shares.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For the six months ended December 31, 2021, the Company paid management fees of \$3,000 to a director of the Company. As of December 31, 2021, \$Nil is included in accounts payable related to these fees.

SUMMARY OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares of which 7,500,001 common shares are issued and outstanding as at the date of this MD&A.

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

| | Authorized | Outstanding |
|--|----------------------------|-----------------------------|
| Voting or equity securities issued and outstanding | Unlimited Common Shares | 10,285,001 Common Shares |
| Securities convertible or exercisable into voting or equity securities - warrants exercisable at \$0.10 | | 7,500,000 |

CRITICAL ACCOUNTING ESTIMATES

In the application of the Company's accounting policies, which are described in note 3 to the audited financial statements for the period ended June 30, 2021, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that

indicate the carrying amount of exploration and evaluations assets may not be recoverable.

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.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. 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. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options using stock option pricing models, require the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

FINANCIAL INSTRUMENTS

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.

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.

Financial risk management

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.

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.

RISKS AND UNCERTAINTIES

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sales of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration and development involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, changing governmental laws and regulations, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks however the Company is not fully insured against all risks nor are all such risks insurable.
- Financial risks include fluctuations in commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.
- Regulatory risks include possible delays in getting regulatory approval for transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filings, and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.
- 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.

DISCLOSURE CONTROLS

There have been no changes in the Company's internal controls over financial reporting during the six months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, its controls over financial reporting.

APPROVAL

The Board of Directors of the Company has approved the contents of this management discussion and analysis as of February 23, 2022.