

CULLINAN METALS CORP.

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2022

(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)

	March 31	June 30
	2022	2021
ASSETS		
Current assets		
Cash	\$ 282,916	\$ 259,770
GST receivable	5,625	-
Total current assets	288,541	259,770
Non-current assets		
Exploration and evaluation assets (note 4)	70,000	25,000
Total assets	\$ 358,541	\$ 284,770
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 9,310	\$ 11,085
Total current liabilities	9,310	11,085
SHAREHOLDERS' EQUITY		
Share capital (note 5)	541,462	300,000
Reserves	20,681	-
Deficit	(212,912)	(26,315)
Total shareholders' equity	349,231	273,685
Total liabilities and shareholders' equity	\$ 358,541	\$ 284,770

Going concern (note 2)

Subsequent event (note 9)

Approved on behalf of the Board

Director "Mark Ferguson"
Mark FergusonDirector "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		ended	
	March 31		March 31	
	2022	2021	2022	2021
Expenses				
Consulting fees	\$ 14,850	\$ 5,932	\$ 14,850	\$ 5,932
General and administration	1,910	-	2,041	-
Listing and filing fees	33,009	-	49,491	-
Management fees (note 6)	2,900	1,000	5,900	1,000
Professional fees (note 6)	31,916	-	76,499	-
Share-based compensation	36,589	-	36,589	-
Transfer agent fees	1,227	-	1,227	-
Net and comprehensive loss for the period	\$ (122,401)	\$ (6,932)	\$ (186,597)	\$ (6,932)
Basic and diluted loss per share	\$ (0.01)	\$ (3,466.00)	\$ (0.01)	\$ (3,466.00)
Weighted average number of common shares outstanding	17,856,486	2	15,945,238	2

On April 12, 2022 the Company undertook a forward share split in which one additional common share was issued for every one common share outstanding on that date. The basic and diluted loss per share and weighted average number of common shares have been adjusted to reflect this event.

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

CULLINAN METALS CORP.

Interim Statement of Cash Flow

For the nine months ended March 31, 2022

(Unaudited - Expressed in Canadian dollars)

	For the nine months ended	
	March 31	
	2022	2021
Cash provided by (used in):		
Operating activities		
Net loss	\$ (186,597)	\$ (6,932)
Item not involving cash:		
Share-based compensation	36,589	-
Non-cash working capital items:		
GST receivable	(5,625)	-
Accounts payable	(1,775)	-
Net cash (used in) operating activities	(157,408)	(6,932)
Investing activities		
Additions to exploration and evaluation assets	(25,000)	(25,000)
Net cash (used in) operating activities	(25,000)	(25,000)
Financing activities		
Exercise of options	22,000	-
Subscriptions received	-	35,000
Proceeds from issuance of shares	278,500	-
Share issue costs	(94,946)	-
Net cash flows from financing activities	205,554	35,000
Change in cash during the period	23,146	3,068
Cash at the beginning of the period	259,770	-
Cash at end of the period	\$ 282,916	\$ 3,068
Non-cash Investing and Financing Information:		
Issuance of shares for property interest	\$ 20,000	\$ -

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

CULLINAN METALS CORP.

Interim Statement of Changes in Equity
For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share Subscriptions Advanced	Reserves	Deficit	Total Shareholders' Equity
Balance at January 29, 2021	1	\$ -	\$ -	\$ -	\$ -	-
Subscriptions received	-	-	35,000	-	-	35,000
Net loss	-	-	-	-	(6,932)	(6,932)
Balance at March 31, 2021	1	-	35,000	-	(6,932)	28,068
Balance at June 30, 2021	7,500,001	300,000	-	-	(26,315)	273,685
Issuance of shares for cash (note 5)	2,785,000	278,500	-	-	-	278,500
Share issue costs (note 5)	-	(94,946)	-	-	-	(94,946)
Issuance of shares for property interest (note 4)	200,000	20,000	-	-	-	20,000
Exercise of options (note 5)	200,000	37,908	-	(15,908)	-	22,000
Share-based compensation (note 5)	-	-	-	36,589	-	36,589
Net loss	-	-	-	-	(186,597)	(186,597)
Balance at March 31, 2022	10,685,001	\$ 541,462	\$ -	\$ 20,681	\$ (212,912)	\$ 349,231

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

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

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.

On April 12, 2022, the Company undertook a forward share split in which one additional common share was issued for every one common share outstanding on that date. Following completion of the forward share split, the Company has approximately 21,370,002 common shares outstanding.

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 nine months ended March 31, 2022 and were authorized for issue on April 14, 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.

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

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 March 31, 2022, the Company had not commenced any operations, had no profits, had an accumulated deficit of \$212,912 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.

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

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

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company had investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

A summary of the capitalized acquisition and exploration expenditures for the periods ended March 31, 2022 and June 30, 2021 follows:

	Lac Chavigny	Total
Balance at January 29, 2021	\$ -	\$ -
Acquisition costs	25,000	25,000
Exploration costs	-	-
Write down	-	-
Balance at June 30, 2021	\$ 25,000	\$ 25,000
Acquisition costs	45,000	45,000
Exploration costs	-	-
Balance at March 31, 2022	\$ 70,000	\$ 70,000

As at March 31, 2022, the Company owned or had royalty interests or lease options on the following mineral property interests:

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (*continued*)

Lac Chavigny Gold – Quebec, Canada

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*);
 - 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 (*issued*);
 - 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.

5. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Issued

2022

On February 17, 2022, the Company completed its initial public offering (“IPO”), in connection with its listing on the Canadian Securities Exchange (“CSE”). The common shares of the Company effectively commenced trading on the CSE on March 9, 2022 and trades under the symbol “CMT”.

In connection with the IPO, the Company issued a total of 2,785,000 common shares at \$0.10 per share for gross proceeds of \$278,500 and paid share issue costs totalling \$94,946 comprised of: cash commissions of \$27,850; corporate finance fees of \$21,000; and legal fees and disbursements of \$46,096.

On February 17, 2022, the Company issued 200,000 common shares at a fair value of \$0.10 per share (note 4) in connection with the Lac Chavigny property option agreement.

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Issued (continued)

On March 8, 2022, the Company issued 200,000 common shares pursuant to the exercise of options at \$0.11 per share for total cash proceeds of \$22,000 and an adjustment to share-based payment reserve of \$15,908.

2021

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.

Escrowed shares

Under the requirements of the CSE, 200,001 common shares were held in escrow pending the Company's IPO. On the listing date of February 17, 2022, 10% of these shares were released from escrow with 15% of the remainder being released every 6 months following February 17, 2022. At March 31, 2022, 180,001 common shares were held in escrow.

Warrants

A summary of common share purchase warrants activity for the nine months ended March 31, 2022 and the period from incorporation on January 29, 2021 to June 30, 2021 follows:

	Nine months ended March 31, 2022		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

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Warrants (continued)

As at March 31, 2022 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	4.07 years	April 23, 2026
5,000,000	\$ 0.10	4.25 years	June 30, 2026
7,500,000	\$ 0.10	4.19 years	

Options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

- Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
- Individual incentive share purchase options will have no more than a maximum term of five (5) years from the date of their grant;
- Incentive share purchase options granted to any one individual in any 12 month period cannot exceed 5% of the issued and outstanding shares of the Company;
- Individual incentive share purchase options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Company; and
- Individual incentive share purchase option agreements granted to an employee or consultant conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any 12 month period.

The following table summarizes activity related to stock options for the nine months ended March 31, 2022 and the period ended June 30, 2021:

	Nine months ended March 31, 2022		From Incorporation on January 29, 2021 to June 30, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	-	\$ -	-	\$ -
Granted	660,000	0.11	-	-
Exercised	(200,000)	0.11	-	-
Outstanding - end of period	460,000	\$ 0.11	-	\$ -

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Options (continued)

Details of the share options outstanding and exercisable as at March 31, 2022 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Weighted Average Exercise Price	Remaining Life (years)
March 1, 2026	460,000	260,000	200,000	\$ 0.11	3.92
	460,000	260,000	200,000	\$ 0.11	3.92

During the nine months ended March 31, 2022, the Company recorded share-based compensation of \$36,589 related to the issuance of stock options. The weighted average fair value at grant date of options granted during this period was \$0.11 per option. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	2022
Expected stock price volatility	128%
Risk-free interest rate	1.43%
Dividend yield	0%
Expected life of options	4 years
Stock price on date of grant	\$0.10
Forfeiture rate	0%

Share-based Payments Reserve

This reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the share-based payments reserve account.

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

During the nine months ended March 31, 2022, no remuneration was paid to key management personnel other than as noted below:

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS (continued)

	2022	2021
Management fees	\$ 5,900	\$ 1,000
Accounting fees	5,380	-
	<u>\$ 11,280</u>	<u>\$ -</u>

Included in accounts payable at March 31, 2022 is \$452 (2021 - \$Nil) for fees owing to a company controlled by a director 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

At March 31, 2022, 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.

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

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.

CULLINAN METALS CORP.
NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2022
(Unaudited - Expressed in Canadian dollars)

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

Currency Risk

As at March 31, 2022, 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 EVENTS

On April 12, 2022, the Company undertook a forward share split in which one additional common share was issued for every one common share outstanding on that date. Following completion of the forward share split, the Company has approximately 21,370,002 common shares outstanding.

On April 13, 2022, the Company issued 220,000 common shares pursuant to the exercise of common share options for gross proceeds of \$12,100.