



Condensed Interim Financial Statements

For the three and nine months ended March 31, 2023 and 2022

**NOTICE OF NO AUDITOR REVIEW OF
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CULLINAN METALS CORP.

Condensed Interim Statements of Financial Position

As at March 31, 2023 and June 30, 2022

(Expressed in Canadian dollars)

	Notes	March 31, 2023	June 30, 2022
		\$	\$
Assets			
Current			
Cash		292,280	173,284
GST and other receivable		26,453	12,741
Prepaid expenses		162,282	30,000
		481,015	216,025
Exploration and evaluation assets	3	308,000	70,000
Total assets		789,015	286,025
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		56,854	39,055
Shareholders' equity			
Share capital	4	1,564,636	522,473
Reserves	4	296,942	101,939
Deficit		(1,129,417)	(377,442)
Total equity		732,161	246,970
Total liabilities and equity		789,015	286,025
Nature of operations and going concern	1		
Subsequent event	7		

Approved on behalf of the Board of Directors:

(Signed) "Richard Ko"

Director

(Signed) "Peter Born"

Director

CULLINAN METALS CORP.

Condensed Interim Statements of Comprehensive Loss
For the three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

		Three months ended March 31,		Nine months ended March 31,	
	Notes	2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Consulting fees		22,500	14,850	50,425	14,850
General and administration	5	34,360	1,910	60,278	2,041
Investor relations		243,245	-	328,493	-
Management fees	5	23,700	2,900	75,100	5,900
Professional fees	5	6,620	31,916	18,340	76,499
Regulatory and transfer agent fees		17,015	34,236	38,907	50,718
Share-based compensation	4(e), 5	107,875	36,589	180,432	36,589
Loss and comprehensive loss		455,315	122,401	751,975	186,597
Loss per share - basic and diluted		(0.02)	(0.01)	(0.03)	(0.01)
Weighted average number of common shares outstanding		26,536,878	17,856,486	23,982,686	15,945,238

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

CULLINAN METALS CORP.

Condensed Interim Statements of Changes in Equity
For the nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

	Notes	Share capital		Reserves			Deficit	Total
		Number	Amount	Stock options	Warrants	Total		
		#	\$	\$	\$	\$		
Balance, June 30, 2022		21,590,002	522,473	101,939	-	101,939	(377,442)	246,970
Shares issued for cash	4(b)	2,809,333	842,800	-	-	-	-	842,800
Share issuance costs		-	(42,585)	-	18,519	18,519	-	(24,066)
Shares issued for exploration and evaluation assets	3,4(b)	221,154	100,000	-	-	-	-	100,000
Exercise of warrants	4(b)	2,650,000	132,500	-	-	-	-	132,500
Exercise of options		100,000	9,448	(3,948)	-	(3,948)	-	5,500
Share-based compensation	4(e)	-	-	180,432	-	180,432	-	180,432
Loss for the period		-	-	-	-	-	(751,975)	(751,975)
Balance, March 31, 2023		27,370,489	1,564,636	278,423	18,519	296,942	(1,129,417)	732,161
Balance, June 30, 2021		15,000,002	300,000	-	-	-	(26,315)	273,685
Shares issued for cash		5,570,000	278,500	-	-	-	-	278,500
Share issuance costs		-	(94,946)	-	-	-	-	(94,946)
Shares issued for exploration and evaluation assets		400,000	20,000	-	-	-	-	20,000
Exercise of options		400,000	37,908	(15,908)	-	(15,908)	-	22,000
Share-based compensation		-	-	36,589	-	36,589	-	36,589
Loss for the period		-	-	-	-	-	(186,597)	(186,597)
Balance, March 31, 2022		21,370,002	541,462	20,681	-	20,681	(212,912)	349,231

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

CULLINAN METALS CORP.

Condensed Interim Statements of Cash Flow
For the nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

	Nine months ended March 31,	
	2023	2022
	\$	\$
Operating activities		
Loss for the period	(751,975)	(186,597)
Items not affecting cash		
Share-based compensation	180,432	36,589
Changes in non-cash working capital items		
GST and other receivable	(13,712)	(5,625)
Prepaid expenses	(132,282)	-
Accounts payable and accrued liabilities	17,799	(1,775)
	(699,738)	(157,408)
Investing activities		
Acquisition of exploration and evaluation assets	(138,000)	(25,000)
Financing activities		
Shares issued for cash, net of share issuance costs	956,734	205,554
Increase in cash	118,996	23,146
Cash, beginning of period	173,284	259,770
Cash, end of period	292,280	282,916
Non-cash transaction		
Shares issued for exploration and evaluation assets	100,000	20,000

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

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

(a) Nature of operations

Cullinan Metals Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on January 29, 2021. The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

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.

On February 17, 2022, the Company completed its Initial Public Offering ("IPO"), in connection with its listing on the Canadian Securities Exchange (the "Exchange"). The common shares of the Company effectively commenced trading on the Exchange on March 9, 2022 under the symbol "CMT".

On April 12, 2022, the Company completed a two for one share split of all of its issued and outstanding common shares, and as a result, one additional common share was issued for every one common share outstanding. Outstanding stock options and warrants were also adjusted by the stock split ratio and their respective exercise prices were adjusted accordingly. All share and per share data presented in the Financial Statements have been retroactively adjusted to reflect the share split unless otherwise noted.

(b) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine months ended March 31, 2023, the Company had not commenced exploration activities, had no profits, had an accumulated deficit of \$1,129,417 (June 30, 2022 - \$377,442) and expects to incur further losses until it successfully develops its business.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds therefrom and raise equity capital or borrowings sufficient to meet current and future obligations. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

The factors above indicate the existence of material uncertainties that may cast significant doubt regarding 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 to amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Basis of Presentation

These condensed interim financial statements (the “Financial Statements”) have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Financial Statements should be read in conjunction with the Company’s annual financial statements as at and for the year ended June 30, 2022 (the “Annual Financial Statements”). The accounting policies and critical estimates applied by the Company in the Financial Statements are the same as those applied in the Annual Financial Statements. The Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the most recent Annual Financial Statements.

The Financial Statements were approved by the Board of Directors on May 29, 2023.

3. Exploration and Evaluation Assets

As at March 31, 2023, the Company had interests in the following exploration and evaluation assets:

	Lac Chavigny (a)	Lac des Iles (b)	Smiley (c)	Total
Balance, June 30, 2021	\$ 25,000	\$ -	\$ -	\$ 25,000
Acquisition				
Cash	25,000	-	-	25,000
Common shares	20,000	-	-	20,000
Balance, June 30, 2022	70,000	-	-	70,000
Acquisition				
Cash	-	50,000	88,000	138,000
Common shares	-	50,000	50,000	100,000
Balance, March 31, 2023	70,000	100,000	138,000	308,000

(a) Lac Chavigny Gold Property (“Lac Chavigny”)

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

- (i) Cash payments of \$150,000:
- \$25,000 upon execution of the Agreement (paid);
 - \$25,000 on or before December 1, 2021 (paid); and
 - \$100,000 on August 17, 2023.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets (continued)

(a) Lac Chavigny Gold Property ("Lac Chavigny") (continued)

- (ii) Issuance of 1,400,000 common shares:
 - 400,000 shares on February 17, 2022 (issued); and
 - 1,000,000 on August 17, 2023.
- (iii) Completion of \$575,000 in exploration expenditures:
 - \$75,000 on or before August 17, 2023; and
 - \$500,000 on or before June 17, 2024.

The agreement is subject to a 1% Net Smelter Return ("NSR") royalty, one-half of which can be repurchased by the Company for \$1,000,000.

As at March 31, 2023, the Company paid \$50,000 and issued 400,000 common shares (Note 4(b)(viii)) with a fair value of \$20,000 towards the acquisition of Lac Chavigny.

(b) Lac des Iles West Graphite Property ("Lac des Iles")

On September 22, 2022, the Company entered into an option agreement to acquire the Lac des Iles located in Quebec comprising 43 mining claims. The Company may acquire a 100% interest in the property for the following consideration:

- (i) Cash payments of \$150,000:
 - \$50,000 upon Exchange approval (paid);
 - \$50,000 on September 22, 2023; and
 - \$50,000 on September 22, 2024.
- (ii) Issuance of common shares equivalent to a value of \$350,000:
 - Common shares with a value of \$50,000 upon Exchange approval (subject to a one-year resale restriction) (125,000 shares issued);
 - Common shares with a value of \$100,000 on September 22, 2023; and
 - Common shares with a value of \$200,000 on September 22, 2024.
- (iii) Completion of \$425,000 in exploration expenditures:
 - \$50,000 by September 22, 2023;
 - \$125,000 by September 22, 2024; and
 - \$250,000 by September 22, 2025.

The agreement is subject to a 2% NSR royalty, of which, 1% can be repurchased by the Company for \$1,000,000.

As at March 31, 2023, the Company paid \$50,000 and issued 125,000 common shares (Note 4(b)(ii)) with a fair value of \$50,000 towards the acquisition of the Lac des Iles.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets (continued)

(c) Smiley Lithium Property ("Smiley") (continued)

On October 27, 2022, the Company entered into an option agreement to acquire Smiley located in Ontario comprising five mining claims. The Company may acquire a 100% interest in the property for the following consideration:

- (i) Cash payments of \$2,388,000:
 - \$88,000 upon signing of agreement (paid);
 - \$100,000 on October 27, 2023;
 - \$200,000 on October 27, 2024; and
 - \$2,000,000 on October 27, 2025.

- (ii) Issuance of common shares equivalent to a value of \$175,000:
 - Common shares with a value of \$50,000 upon execution of agreement (96,154 shares issued); and
 - Common shares with a value of \$125,000 on October 27, 2023.

The agreement is subject to a 2.5% NSR royalty, of which, 0.5% can be repurchased by the Company for \$500,000.

As at March 31, 2023, the Company paid \$88,000 and issued 96,154 common shares (Note 4(b)(iii)) with a fair value of \$50,000 towards the acquisition Smiley.

4. Share Capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

As at March 31, 2023, the Company's issued and outstanding share capital consisted of 27,370,489 (June 30, 2022 – 21,590,002) issued and fully paid common shares.

Nine months ended March 31, 2023

- (i) On September 20, 2022, the Company closed a non-brokered private placement of 1,663,333 units at a price of \$0.30 per unit for gross proceeds of \$499,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.40 per share until September 20, 2024.

- (ii) On October 24, 2022, the Company issued 125,000 common shares with a fair value of \$50,000 with respect to the Lac des Iles property option agreement. Note 3(b)

- (iii) On November 14, 2022, the Company issued 96,154 common shares with a fair value of \$50,000 with respect to the Smiley property option agreement. Note 3(c)

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Notes to the Condensed Interim Financial Statements
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(Expressed in Canadian dollars)

4. Share Capital (Continued)

(b) Issued and outstanding (continued)

- (iv) On December 28, 2022, the Company closed a non-brokered private placement of 1,146,000 units at a price of \$0.30 per unit for gross proceeds of \$343,800. Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at a price of \$0.60 per share until December 28, 2024.

Total share issuance costs with respect to the private placement were of \$42,585 which consisted of finder's fees of \$24,066 and 80,220 broker warrants with a fair value of \$18,519. Each broker warrant is exercisable at \$0.60 per share until December 28, 2024. The fair value of the broker warrants was estimated at \$0.23 per share using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of issuance: risk free rate of 4.03%; dividend yield of 0%; stock price volatility of 85.52%; and an expected life of 2 years.

- (v) An aggregate of 2,650,000 common shares were issued for gross proceeds of \$132,500 pursuant to exercise of warrants.
- (vi) An aggregate of 100,000 common shares were issued for gross proceeds of \$5,500 pursuant to exercise of options. The fair value of the options of \$3,948 was reclassified from reserves to share capital on the exercise of these options.

Nine months ended March 31, 2022

- (vii) On February 17, 2022, the Company completed its IPO and issued a total of 5,570,000 common shares at \$0.05 per share for gross proceeds of \$278,500. Total share issuance costs with respect to the IPO were \$134,603,96,946 comprised of cash commissions of \$27,850, corporate finance fees of \$20,459 and legal fees and disbursements of \$86,294.
- (viii) On February 17, 2022, the Company issued 400,000 common shares at a fair value of \$20,000 with respect to the Lac Chavigny Property option agreement. Note 3(a)
- (ix) On March 8, 2022, 400,000 common shares were issued pursuant to exercise of options for gross proceeds of \$22,000. The fair value of the options of \$15,908 was reclassified from reserves to share capital on the exercise of these options.

(c) Escrowed securities

In connection with the IPO, 400,002 common shares and 400,000 warrants held by principals of the Company were deposited in escrow. On the listing date of February 17, 2022, 10% of these shares and warrants were released from escrow with 15% of the remainder will be released every 6 months following February 17, 2022. As at March 31, 2023, 300,002 common shares and 300,002 warrants were held in escrow.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

4. Share Capital (Continued)

(d) Warrants

Each warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2021 and 2022	15,000,000	0.05
Issued	2,316,553	0.46
Exercised	(2,650,000)	0.05
Balance, March 31, 2023	14,666,553	0.11

The following table summarizes the warrants outstanding as at March 31, 2023:

Exercise Price	Expiry date	Warrants
\$		#
0.05	April 23, 2026	4,081,250
0.05	June 30, 2026	8,268,750
0.40	September 20, 2024	1,663,333
0.60	December 28, 2024	653,220
		14,666,553

As at March 31, 2023, the weighted average remaining contractual life of the warrants was 2.93 years.

(e) Stock options

The Company has a rolling incentive stock option plan (the "Plan") which provides that the aggregate maximum number of common shares that may be issued upon the exercise of options granted under the Plan shall not exceed 10% of the Company's issued and outstanding shares. The exercise price of any options granted under the Plan is determined by the Board but shall not be less than the exercise price permitted by the Exchange. Options have expiry dates of no later than ten years from the date of grant.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

4. Share Capital (Continued)

(e) Stock options (continued)

A summary of the status of the options outstanding follows:

	Options #	Weighted average exercise price \$
Balance, June 30, 2021	-	-
Granted	1,570,000	0.11
Exercised	(620,000)	0.055
Balance, June 30, 2022	950,000	0.15
Granted	670,000	0.40
Exercised	(100,000)	0.06
Balance, March 31, 2023	1,520,000	0.26

The following table summarizes the options outstanding and exercisable as at March 31, 2023:

Exercise Price \$	Expiry date	Options outstanding #	Options exercisable #
0.055	March 1, 2026	600,000	600,000
0.40	June 9, 2027	250,000	250,000
0.40	October 28, 2027	670,000	83,750
		1,520,000	933,750

As at March 31, 2023, the weighted average remaining contractual life of the options was 3.86 years.

During the three and nine months ended March 31, 2023, the Company recorded share-based compensation of \$107,875 and \$180,432 (three and nine months ended March 31 - \$36,589 and \$36,589), respectively, for stock options granted and vested during the period.

The weighted average fair value of stock options granted during the nine months ended March 31, 2023 was \$0.55 (2022 - \$0.11) per option. The fair value of stock options granted was determined using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of grant:

	Nine months ended March 31	
	2023	2022
Risk-free annual interest rate	3.19%	1.43%
Expected annual dividend yield	0%	0%
Expected stock price volatility	128%	128%
Expected life of options (years)	3.69	4
Forfeiture rate	0%	0%

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

5. Related Party Transactions

(a) Compensation of key management personnel

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company, and is comprised of the Company's Board of Directors and executive officers.

	Three months ended March 31,		Nine months ended March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
CEO management fees	22,500	-	67,500	-
Former CEO fees	-	2,000	4,000	5,500
Director's fees	1,200	400	3,600	400
Share based compensation ⁽¹⁾	162	-	1,551	-
	23,862	2,400	76,651	5,900

⁽¹⁾ Share-based compensation represents the fair value of options granted and vested to the Company's CFO.

(b) Transaction with a related party

The Company incurred the following transaction with a company having directors and officers in common.

	Three months ended March 31,		Nine months ended March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Office, rent and administration ⁽¹⁾	26,000	-	50,000	-
Professional fees ⁽²⁾	-	2,488	-	5,380
	26,000	2,488	50,000	5,380

⁽¹⁾ Shared office, rent, and administration paid to a company in which the Company's CFO is a director.

⁽²⁾ Professional fees were paid to a company wholly-owned by the former CFO of the Company for accounting services.

(c) Related party balances

Included in prepaid expenses is \$17,500 paid to a company in which the Company's CFO is a director for shared office, rent and administration.

6. Financial Instruments

As at March 31, 2023, the Company's financial instruments consisted of cash and accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

As at March 31, 2023, the Company did not have any financial instruments subject to significant credit, price or interest rate risks. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian dollars)

7. Subsequent Event

On May 8, 2023, the Company completed a non-brokered private placement of 552,224 flow-through shares at a price of \$0.90 per share for gross proceeds of \$470,000. The Company paid \$28,200 as a finder's fee in connection with the private placement.