



**CULLINAN METALS CORP.**

**Condensed Interim Financial Statements**

For the three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

**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 September 30, 2023 and June 30, 2023

(Expressed in Canadian dollars)

	Notes	September 30, 2023	June 30, 2023
		\$	\$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		205,277	711,085
Amounts receivable		52,784	83,190
Prepaid expenses		244,015	74,796
		502,076	869,071
Exploration and evaluation assets	3	374,000	274,000
<b>Total assets</b>		<b>876,076</b>	<b>1,143,071</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		67,726	36,626
Flow-through premium	4	134,367	214,920
		202,093	251,546
<b>Shareholders' equity</b>			
Share capital	5	2,153,066	2,001,066
Obligation to issue shares	5(b)	-	52,000
Reserves	5	295,157	286,841
Deficit		(1,774,240)	(1,448,382)
<b>Total equity</b>		<b>673,983</b>	<b>891,525</b>
<b>Total liabilities and equity</b>		<b>876,076</b>	<b>1,143,071</b>
Nature of operations and going concern	1		
Subsequent events	3(c), 9		

Approved on behalf of the Board of Directors:

(Signed) "Richard Ko"  
 \_\_\_\_\_  
 Director

(Signed) "Peter Born"  
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 Director

## CULLINAN METALS CORP.

Condensed Interim Statements of Loss and Comprehensive Loss  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

	Notes	Three months ended September 30,	
		2023	2022
		\$	\$
Expenses			
Exploration and evaluation expenditures	7	302,461	-
General and administration		29,605	768
Investor relations and shareholder communications		17,302	18,000
Management fees	6	29,700	26,700
Professional fees	6	4,484	8,616
Regulatory and transfer agent fees		9,443	13,451
Share-based compensation	5(e)	8,316	3,668
Travel		35,100	-
Loss before other items		(436,411)	(71,203)
Other income			
Consulting		30,000	-
Flow-through premium	4	80,553	-
		110,553	-
Loss for the period		(325,858)	(71,203)
Loss per share - basic and diluted		(0.01)	(0.003)
Weighted average number of common shares outstanding		27,828,715	21,770,799

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

## CULLINAN METALS CORP.

Condensed Interim Statements of Changes in Equity  
 Three months ended September 30, 2023 and 2022  
 (In Canadian Dollars)

	Notes	Share capital		Obligation to issue shares	Reserves				
		Number #	Amount \$		Stock options	Warrants	Total	Deficit	Total
Balance, June 30, 2023		28,637,713	2,001,066	52,000	231,270	55,571	286,841	(1,448,382)	891,525
Shares subscription	5(b)	100,000	52,000	(52,000)	-	-	-	-	-
Shares issued for exploration and evaluation assets	3, 5(b)	400,000	100,000	-	-	-	-	-	100,000
Share-based compensation	5(e)	-	-	-	8,316	-	8,316	-	8,316
Loss for the period		-	-	-	-	-	-	(325,858)	(325,858)
<b>Balance, September 30, 2023</b>		<b>29,137,713</b>	<b>2,153,066</b>	<b>-</b>	<b>239,586</b>	<b>55,571</b>	<b>295,157</b>	<b>(1,774,240)</b>	<b>673,983</b>
Balance, June 30, 2022		21,590,002	522,473	-	101,939	-	101,939	(377,442)	246,970
Shares issued for cash	5(b)	1,663,333	499,000	-	-	-	-	-	499,000
Share-based compensation	54(e)	-	-	-	3,668	-	3,668	-	3,668
Loss for the period		-	-	-	-	-	-	(71,203)	(71,203)
<b>Balance, September 30, 2022</b>		<b>23,253,335</b>	<b>1,021,473</b>	<b>-</b>	<b>105,607</b>	<b>-</b>	<b>105,607</b>	<b>(448,645)</b>	<b>678,435</b>

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

## CULLINAN METALS CORP.

Condensed Interim Statements of Cash Flows  
Three months ended September 30, 2023 and 2022  
(In Canadian dollars)

	Three months ended September 30,	
	2023	2022
	\$	\$
Operating activities		
Loss for the period	(325,858)	(71,203)
Items not affecting cash		
Share-based compensation	8,316	3,668
Flow-through shares premium	(80,553)	-
Changes in non-cash working capital items		
Amounts receivable	30,406	1,847
Prepaid expenses	(169,219)	2,347
Accounts payable and accrued liabilities	31,100	(13,055)
	(505,808)	(76,396)
Financing activities		
Shares issued for cash, net of share issuance costs	52,000	499,000
Shares subscription	(52,000)	-
	-	499,000
Increase in cash and cash equivalents	(505,808)	422,604
Cash and cash equivalents, beginning of period	711,085	173,284
Cash and cash equivalents, end of period	205,277	595,888
Non-cash transactions:		
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 months ended September 30, 2023 and 2022  
(In Canadian Dollars)

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## 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.

### (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 three months ended September 30, 2023, the Company had not commenced exploration activities, had no profits, had an accumulated deficit of \$1,774,240 (June 30, 2023 - \$1,448,382) 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.

## 2. Basis of Presentation and Measurement

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").

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

### 2. Basis of Presentation and Measurement (continued)

The Financial Statements should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2023 (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 and authorized for issue by the Board of Directors of the Company on November 20, 2023.

### 3. Exploration and Evaluation Assets

As at September 30, 2023, the Company had interests in the following exploration and evaluation assets:

	Lac Chavigny (a)	Lac des Iles (b)	Smiley (c)	Wakeman (d)	Total
Balance, June 30, 2022	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000
Acquisition					
Cash	-	50,000	88,000	-	138,000
Common shares	-	50,000	50,000	36,000	136,000
Impairment	(70,000)	-	-	-	(70,000)
Balance, June 30, 2023	-	100,000	138,000	36,000	274,000
Acquisition					
Common shares	-	100,000	-	-	100,000
Balance, September 30, 2023	-	200,000	138,000	36,000	374,000

#### (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. The Company may acquire a 100% interest in the property by making aggregate cash payments of \$150,000 and issuing an aggregate of 1,400,000 common shares for a period of eighteen months and completing exploration expenditures of \$575,000 over a period of twenty eight months.

As of June 30, 2023, the Company paid \$50,000 and issued 400,000 common shares with a fair value of \$20,000 towards the acquisition of Lac Chavigny.

During the year ended June 30, 2023, the Company recorded an impairment loss of \$70,000 on Lac Chavigny as a result of management's decision to not incur any further expenditures on the property. The estimated recoverable amount of Lac Chavigny as at June 30, 2023 was \$Nil.



## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

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### 3. Exploration and Evaluation Assets (Continued)

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

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

- (i) Cash payments of \$150,000:
  - \$50,000 upon Exchange approval (paid);
  - \$50,000 on September 22, 2023 (deferred); 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 (400,000 shares issued); 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 (completed);
  - \$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 September 30, 2023, the Company paid \$50,000 and issued a total of 525,000 common shares (Note 5(b)(ii)) with a fair value of \$150,000 towards the acquisition of Lac des Iles. The Vendor of Lac des Iles agreed to defer the Company's option payment of \$50,000 due September 22, 2023, until the Company's completion of a non-flow-through financing of at least \$500,000.

During the three months ended September 30, 2023, the Company incurred exploration costs \$42,255 (2022 - \$Nil) on Lac des Iles. Note 7

#### (c) Smiley Lithium Property ("Smiley")

On October 27, 2022, the Company entered into an option agreement to acquire Smiley located in Ontario. The Company may acquire a 100% interest in Smiley by making aggregate cash payments of \$2,388,000 over a period of three years and issuing aggregate common shares equivalent to a value of \$175,000 within a one-year period.

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
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### 3. Exploration and Evaluation Assets (Continued)

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

As at September 30, 2023, the Company paid \$88,000 and issued 96,154 common shares with a fair value of \$50,000 towards the acquisition of Smiley.

During the three months ended September 30, 2023, the Company incurred exploration costs \$3,800 (2022 - \$nil) on Smiley. (Note 7)

Subsequent to September 30, 2023, the Company recognized a full impairment on Smiley as a result of management's decision to not incur any further expenditures on the property.

#### (d) Wakeman Lake Lithium Property ("Wakeman")

On June 5, 2023, the Company entered into an option agreement to acquire Wakeman located in Ontario. The Company may acquire a 100% interest in Wakeman for the following consideration:

- (i) Cash payments of \$110,000:
  - \$45,000 on June 5, 2025; and
  - \$65,000 on June 5, 2026.
  
- (ii) Issuance of 210,000 common shares:
  - 120,000 common shares on June 5, 2023 (issued);
  - 40,000 common shares on June 5, 2025; and
  - 50,000 common shares on June 5, 2026.

The agreement is subject to a 1.5% NSR royalty, of which, 0.5% can be repurchased by the Company for \$500,000.

As at September 30, 2023, the Company issued 120,000 common shares with a fair value of \$36,000 towards the acquisition of Wakeman.

#### (e) Letters of Intent (LOIs)

During the year ended June 30, 2023, the Company entered into LOIs with third parties to acquire interests in several lithium properties located in Ontario and Quebec. Pursuant to the terms of the LOIs, the Company was granted the right to conduct a full due diligence investigation on the properties, including sampling and exploration. Upon the discovery of spodumene mineralization on the properties (the "Discovery"), the parties will enter into either option or property purchase agreements to acquire such properties. The considerations for the acquisitions will be negotiated between the parties after the Discovery.

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
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### 3. Exploration and Evaluation Assets (Continued)

#### (e) Letters of Intent (LOIs) (continued)

During the three months ended September 30, 2023, the Company incurred exploration costs on the Ontario and Quebec properties of \$162,767 and \$93,271, respectively. (Note 7)

### 4. Flow-through Premium Liability

The Company issues flow-through (“FT”) shares with any resulting FT premium recorded as FT share premium liability. The liability is subsequently reduced when the required Canadian Exploration Expenditures (“CEE”) are incurred, and the recovery of the FT share premium is recorded as income.

As at September 30, 2023, the Company is required to incur \$140,426 of qualifying CEE until December 31, 2024. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

A continuity of the FT premium liability as at September 30, 2023 and June 30, 2023 is as follows:

	September 30, 2023	June 30, 2023
	\$	\$
Balance, beginning of period	214,920	-
FT premium liability on flow-through shares issued	-	239,320
FT expenditures incurred and recorded as FT share premium income	(80,553)	(24,400)
Balance, end of period	134,367	214,920

### 5. Share Capital and Reserves

#### (a) Authorized

Unlimited common shares without par value.

#### (b) Issued and outstanding

As at September 30, 2023, the Company’s issued and outstanding share capital consisted of 29,137,713 (June 30, 2023 – 28,637,713) issued and fully paid common shares.

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

### 5. Share Capital and Reserves (Continued)

#### (b) Issued and outstanding (continued)

Three months ended September 30, 2023

- (i) On September 20, 2023, the Company completed a non-brokered private placement of 100,000 units at a price of \$0.52 per unit for gross proceeds of \$52,000. Each unit consisted of one common share and one warrant exercisable at a price of \$0.70 per share until September 20, 2028.
- (ii) On September 20, 2023, the Company issued 400,000 common shares with a fair value of \$100,000 with respect to the Lac des Iles property option agreement. (Note 3(b))

Three months ended September 30, 2022

- (iii) On September 20, 2022, the Company completed 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.

#### (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 September 30, 2023, 180,001 common shares and 180,001 warrants were held in escrow.

#### (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, 2022	15,000,000	0.05
Issued	2,666,553	0.47
Exercised	(2,650,000)	0.05
Balance, June 30, 2023	15,016,553	0.12
Issued	100,000	0.70
Balance, September 30, 2023	15,116,553	0.12

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
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### 5. Share Capital and Reserves (Continued)

#### (d) Warrants (continued)

The following table summarizes the warrants outstanding as at September 30, 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
0.60	June 12, 2025	312,500
0.40	June 12, 2025	37,500
0.70	September 20, 2028	100,000
		15,116,553

As at September 30, 2023, the weighted average remaining contractual life of the warrants was 2.27 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.

A summary of the status of the options outstanding follows:

	Options	Weighted average exercise price
	#	\$
Balance, June 30, 2022	950,000	0.15
Granted	670,000	0.40
Exercised	(100,000)	0.055
Balance, June 30, 2023 and September 30, 2023	1,520,000	0.27

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

### 5. Share Capital and Reserves (Continued)

#### (e) Stock options (continued)

The following table summarizes the options outstanding and exercisable as at September 30, 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	251,250
		1,520,000	1,101,250

As at September 30, 2023, the weighted average remaining contractual life of the options was 3.40 years.

During three months ended September 30, 2023, the Company recorded share-based compensation of \$8,316 for stock options vested during the period.

### 6. Related Party Transactions

#### 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. Key management compensation for the three months ended September 30, 2023 and 2022 consisted of:

	Three months ended September 30,	
	2023	2022
	\$	\$
CEO fees	22,500	22,500
Former CEO fees	-	3,000
Director's fees	1,200	1,200
Share based compensation <sup>(1)</sup>	-	917
	23,700	27,617

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

## CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

### 7. Exploration and Evaluation Expenditures

	Lac des Iles	Smiley	Wakeman	LOI – Quebec	LOI – Ontario	Total
	\$	\$	\$	\$	\$	\$
Geological mapping, prospecting and sampling	35,753	-	-	123,042	67,011	225,806
Equipment rental	1,812	-	-	32,445	21,640	55,897
Professional fees	4,690	3,800	368	7,280	4,620	20,758
	42,255	3,800	368	162,767	93,271	302,461

### 8. Fair Value of Financial Instruments

As at September 30, 2023, the Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

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.

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.

During the three months ended September 30, 2023, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

### 9. Subsequent Events

- (a) On October 20, 2023, the Company completed a non-brokered private placement of 754,717 flow-through ("FT") units at a price of \$0.265 per FT unit for gross proceeds of \$200,000. Each FT unit consisted of one FT common share and one-half of one non-flow-through ("NFT") warrant. Each whole NFT warrant is exercisable at \$0.40 per share until October 20, 2025. The Company paid \$12,000 and 45,283 broker warrants exercisable at \$0.30 per share until October 20, 2026, as a finder's fee in connection with the private placement.

## **CULLINAN METALS CORP.**

Notes to the Condensed Interim Financial Statements  
Three months ended September 30, 2023 and 2022  
(In Canadian Dollars)

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### **9. Subsequent Events (Continued)**

- (b) On October 20, 2023, the Company completed a non-brokered private placement of 200,000 units at a price of \$0.20 per unit for gross proceeds of \$40,000. Each unit consisted of one common share and one warrant exercisable at \$0.30 per share until October 20, 2026. The Company paid \$2,400 and 12,000 broker warrants exercisable at \$0.30 per share until October 20, 2026, as a finder's fee in connection with the private placement.