



CULLINAN METALS CORP.

Condensed Interim Financial Statements

For the three months ended September 30, 2024 and 2023
(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, 2024 and June 30, 2024

(Expressed in Canadian dollars)

	Notes	September 30, 2024	June 30, 2024
		\$	\$
Assets			
Current			
Cash and cash equivalents		29,644	73,928
Amounts receivable		54,763	54,238
Prepaid expenses		35,066	48,607
		119,473	176,773
Exploration and evaluation assets	3	262,200	262,200
Total assets		381,673	438,973
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		168,297	149,114
Flow-through premium	4	12,332	12,332
		180,629	161,446
Shareholders' equity			
Share capital	5	2,427,273	2,427,273
Reserves	5	382,089	412,562
Deficit		(2,608,318)	(2,562,308)
Total equity		201,044	277,527
Total liabilities and equity		381,673	438,973
Nature of operations and going concern	1		
Subsequent event	3(a)		

Approved on behalf of the Board of Directors:

(Signed) "Marc Morin"

Director

(Signed) "Peter Born"

Director

CULLINAN METALS CORP.

Condensed Interim Statements of Loss and Comprehensive Loss
Three months ended September 30, 2024 and 2023
(In Canadian Dollars)

	Notes	2024	2023
		\$	\$
Expenses			
Exploration and evaluation expenditures	7	8,200	302,461
General and administration		4,965	29,605
Investor relations and shareholder communications		10,000	17,302
Management fees	6	40,050	29,700
Professional fees		4,100	4,484
Regulatory and transfer agent fees		9,168	9,443
Share-based compensation	5(e)	(30,473)	8,316
Travel		-	35,100
Loss before other items		(46,010)	(436,411)
Other income			
Consulting		-	30,000
Flow-through premium	4	-	80,553
		-	110,553
Loss for the period		(46,010)	(325,858)
Loss per share - basic and diluted		(0.001)	(0.012)
Weighted average number of common shares outstanding		32,849,096	27,828,715

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, 2024 and 2023
 (In Canadian Dollars)

	Notes	Share capital		Obligation to issue shares	Reserves				
		Number	Amount		Stock options	Warrants	Total	Deficit	Total
		#	\$		\$	\$	\$	\$	\$
Balance, June 30, 2024		32,849,096	2,427,273	-	258,179	154,383	412,562	(2,562,308)	277,527
Share-based compensation	5(e)	-	-	-	(30,473)	-	(30,473)	-	(30,473)
Loss for the period		-	-	-	-	-	-	(46,010)	(46,010)
Balance, September 30, 2024		32,849,096	2,427,273	-	227,706	154,383	382,089	(2,608,318)	201,044
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		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)
Balance, September 30, 2023		29,137,713	2,153,066	-	239,586	55,571	295,157	(1,774,240)	673,983

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, 2024 and 2023
(In Canadian dollars)

	2024	2023
	\$	\$
Operating activities		
Loss for the period	(46,010)	(325,858)
Items not affecting cash		
Share-based compensation	(30,473)	8,316
Flow-through shares premium	-	(80,553)
Changes in non-cash working capital items		
Amounts receivable	(525)	30,406
Prepaid expenses	13,541	(169,219)
Accounts payable and accrued liabilities	19,183	31,100
	(44,284)	(505,808)
Financing activities		
Shares issued for cash, net of share issuance costs	-	52,000
Shares subscription	-	(52,000)
	-	-
Increase in cash and cash equivalents	(44,284)	(505,808)
Cash and cash equivalents, beginning of period	73,928	711,085
Cash and cash equivalents, end of period	29,644	205,277
Non-cash transaction:		
Shares issued for exploration and evaluation assets	-	100,000

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, 2024 and 2023
(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.

(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, 2024, the Company had not commenced exploration activities, had no profits, had an accumulated deficit of \$2,608,318 (June 30, 2024 - \$2,562,308) 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, 2024 and 2023
(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, 2024 (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 28, 2024.

3. Exploration and Evaluation Assets

As at September 30, 2024, the Company had interests in the following exploration and evaluation assets:

	Lac des Iles (b)	Smiley (c)	Wakeman (d)	Total
Balance, June 30, 2023	\$ 100,000	\$ 138,000	\$ 36,000	\$ 274,000
Acquisition				
Common shares	100,000	-	26,200	126,200
Impairment	-	(138,000)	-	(138,000)
Balance, June 30, 2024 and September 30, 2024	200,000	-	62,200	262,200

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

On September 22, 2023, 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 (deferred).
- (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 (deferred).

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three months ended September 30, 2024 and 2023
(In Canadian Dollars)

3. Exploration and Evaluation Assets (continued)

(a) Lac des Îles West Graphite Property ("Lac des Îles") (continued)

- (iii) Completion of \$425,000 in exploration expenditures:
- \$50,000 by September 22, 2023 (completed);
 - \$125,000 by September 22, 2024 (completed); 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.

During the three months ended September 30, 2024, the Company issued an aggregate of Nil (2023 – 400,000) common shares with a fair value of \$Nil (2023 - \$100,000) towards the acquisition of Lac des Îles.

Geomap agreed to defer the Company's option payment of \$50,000 due on 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, 2024, the Company incurred exploration costs of \$Nil (2023 - \$42,255) on Lac des Îles. Note 7

On April 22, 2024, the Company entered into an Assignment and Assumption Agreement (the "Assignment Agreement") with Air Carbon Raw Materials Inc. ("Air Carbon") whereby Air Carbon may acquire a 100% interest in Lac des Îles by delivering to Cullinan an aggregate of \$406,827 upon signing of the Assignment Agreement, 2,500,000 common shares of Air Carbon upon receipt of regulatory approval and \$2,000,000 in the form of cash or common shares of Air Carbon or a combination thereof upon Air Carbon's completion of a resource estimate. In addition, Air Carbon will assume all of the Company's obligations in the original option agreement with Geomap. On October 22, 2024, the Company and Air Carbon agreed to extend the cash, share and other option payments to December 15, 2024.

On September 20, 2024, Geomap agreed to defer the Company's option payment of \$50,000 due on September 22, 2024, until the Company's completion of a non-flow-through financing of at least \$700,000. In addition, Geomap also agreed to defer the option payment of \$200,000 worth of common shares of the Company until the Assignment Agreement with Air Carbon has closed.

(b) Smiley Lithium Property ("Smiley")

On October 27, 2023, 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, 2024 and 2023
(In Canadian Dollars)

3. Exploration and Evaluation Assets (Continued)

(b) Smiley Lithium Property ("Smiley") (continued)

During the year ended June 30, 2024, the Company recognized an impairment loss of \$138,000 on Smiley as a result of management's decision to not incur any further expenditures on the property. The estimated recoverable amount of Smiley as at June 30, 2024 was \$Nil.

(c) Wakeman Lake Lithium Property ("Wakeman")

On June 5, 2023, the Company entered into an option agreement to acquire Wakeman located in Ontario (the "Wakeman Agreement"). The Company may acquire a 100% interest in Wakeman by paying an aggregate of \$110,000 (amended, see below) and issuing 210,000 common shares (160,000 common shares issued with a fair value of \$37,200) over a period of two years.

On March 5, 2024, the payment obligations under the Wakeman Agreement were amended as follows:

- (i) Issuance of common shares equivalent to a value of \$50,000:
 - common shares equivalent to a value of \$25,000 on March 5, 2024 (416,666 shares issued); and
 - common shares equivalent to a value of \$25,000 on March 5, 2025.
- (ii) Issuance of 50,000 common shares on or before March 5, 2025.
- (iii) Payment of \$50,000 upon discovery of spodumene mineralization on Wakeman.

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

During the three months ended September 30, 2024, the Company incurred exploration costs of \$8,200 (2023 - \$368) on Wakeman. Note 7

(d) Letters of Intent (LOIs)

During the year ended June 30, 2024, 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.

As of June 30, 2024, the Company incurred exploration costs of \$255,742 on the Ontario properties and \$484,283 on the Quebec properties.

During the year ended June 30, 2024, the Company terminated the LOIs.

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Notes to the Condensed Interim Financial Statements
Three months ended September 30, 2024 and 2023
(In Canadian Dollars)

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, 2024, the Company is required to incur \$191,058 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 follows:

	September 30, 2024	June 30, 2024
	\$	\$
Balance, beginning of period	12,332	214,920
FT premium liability on flow-through shares issued	-	71,291
CEE incurred and recorded as FT share premium income	-	(273,879)
Balance, end of period	12,332	12,332

5. Share Capital and Reserves

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

As at September 30, 2024, the Company’s issued and outstanding share capital consisted of 32,849,096 (June 30, 2024 – 32,849,096) issued and fully paid common shares.

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(a))

(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, 2023, 10% of these shares and warrants were released from escrow with 15% of the remainder will be released every 6 months following February 17, 2023. As at September 30, 2024, 60,000 common shares and 60,000 warrants were held in escrow.

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three months ended September 30, 2024 and 2023
(In Canadian Dollars)

5. Share Capital and Reserves (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, 2023	15,016,553	0.12
Issued	2,045,642	0.22
Expired	(1,663,333)	0.40
Balance, June 30, 2024 and September 30, 2024	15,398,862	0.10

The following table summarizes the warrants outstanding as at September 30, 2024:

Exercise Price	Expiry date	Warrants
\$		#
0.05	April 23, 2026	4,081,250
0.05	June 30, 2026	8,268,750
0.12	December 19, 2025	1,311,000
0.30	October 20, 2026	257,283
0.40	October 20, 2025	377,359
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
		15,398,862

As at September 30, 2024, the weighted average remaining contractual life of the warrants was 1.41 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 months ended September 30, 2024 and 2023
(In Canadian Dollars)

5. Share Capital and Reserves (Continued)

(e) Stock options (continued)

A summary of the status of the options outstanding follows:

	Options	Weighted average exercise price
	#	\$
Balance, June 30, 2023	950,000	0.15
Granted	670,000	0.40
Exercised	(100,000)	0.055
Balance, June 30, 2024 and September 30, 2024	1,520,000	0.27

The following table summarizes the options outstanding and exercisable as at September 30, 2024:

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, 2024, the weighted average remaining contractual life of the options was 2.39 years.

During the three months ended September 30, 2024, the Company recorded share-based compensation of \$(30,473) (2023 - \$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, 2024 and 2023 consisted of:

	Three months ended September 30,	
	2024	2023
	\$	\$
CEO fees	22,500	22,500
Director's fees	1,200	1,200
	23,700	23,700

CULLINAN METALS CORP.

Notes to the Condensed Interim Financial Statements
Three months ended September 30, 2024 and 2023
(In Canadian Dollars)

7. Exploration and Evaluation Expenditures

During the three months ended September 30, 2024, the Company incurred staking costs of \$8,200 on Wakeman.

During the three months ended September 30, 2023, the Company incurred the following exploration 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, 2024, the Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities which are all classified as financial instruments at amortized cost. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

9. Financial Instruments 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 9 to the Annual 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.

As at September 30, 2024, the Company was not exposed to credit risk and price risk nor did it have any financial instruments subject to significant interest rate risk.