Form 51-102F1
Annual Management's Discussion and Analysis ("MD&A")
for
Cornish Metals Inc. ("Cornish Metals" or the "Company")

Containing information up to and including May 13, 2021

Description of Business

Cornish Metals Inc. ("Cornish Metals" or the "Company") is a Canadian incorporated mineral exploration and development company focused on its mineral projects in Cornwall, United Kingdom. The Company's flagship projects are the United Downs exploration project and the past producing South Crofty underground tin mine. The Company acquired rights for its mineral projects in Cornwall in July 2016. The Company changed its name from Strongbow Exploration Inc. to Cornish Metals Inc. on July 29, 2020.

The Company also maintains an interest in exploration properties which are prospective for tin and tungsten in Alaska and nickel in Northwest Territories, Canada, in addition to holding a royalty on two tungsten assets (non-producing) located in the Northwest Territories and Yukon, Canada. Shares of the Company trade on the TSX Venture Exchange ("TSX-V") and the AIM market of the London Stock Exchange Plc ("AIM") under the symbol CUSN.

The following discussion and analysis of the Company's financial condition and results of operations for the year ended January 31, 2021, should be read in conjunction with the audited consolidated financial statements of the Company for the years ended January 31, 2021 and January 31, 2020, together with the notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. Refer to the "Forward-Looking Statements" section which appears later in this MD&A.

Unless otherwise noted, all currency amounts are stated in Canadian dollars ($).

Disclosure of a scientific or technical nature which appears in this MD&A was prepared under the supervision of Mr. Owen Mihalop, CEng, MIMMM. Mr. Mihalop is the Company's COO and a "Qualified Person" as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Highlights for the Year Ended January 31, 2021 and for the Period ending May 13, 2021

- Gross proceeds of $2,352,500 raised from private placement completed in February 2020 used for 'proof of concept' drill program at the South Crofty tin project and for general working capital purposes;
- Discovery of new zone of high-grade copper-tin mineralization at the United Downs exploration project in April 2020;
- 'Proof of concept' drill program at South Crofty completed between June and September 2020 with promising high-grade tin and copper intersections, confirming the potential to increase the current mineral resource estimate;
- Exercise of 16,100,000 warrants during the year ended January 31, 2021, of which 5,222,222 were under an early warrant exercise incentive program, for proceeds of $1,134,500;
- Completion of listing and concurrent financing on AIM in February 2021 raising gross proceeds of £8.2 million ($14.4 million based on February 12, 2021 closing exchange rate) to advance the United Downs exploration project and for general working capital purposes;
- Conversion of Osisko loan note in February 2021 into two royalty agreements over mineral properties in Cornwall with an accompanying simplified and reduced security package;
- Agreements reached for the leasing of additional mineral rights at the South Crofty tin project and surface land surrounding the New Roskear Shaft, and binding heads of terms agreed for the disposal of waste material derived from the dewatering of the South Crofty mine;
- Financing options continue to be considered to progress the South Crofty tin project;
- Mr. Patrick Anderson appointed Chairman of the Board in July 2020 while Mr. Grenville Thomas, the previous Chairman, remains a Director; and
- Mr. John McGloin appointed as a Director to the Board in October 2020.

Strategic Review of Business

Cornwall mineral properties - background

The Company holds extensive mineral rights in a highly prospective historic mining region in the United Kingdom. These mineral rights cover an area of approximately 15,000 hectares throughout Cornwall, covering many past producing mines, including those located at the United Downs exploration project and at the South Crofty tin project. Through these mineral rights, the Company has exposure to three essential battery / technology / "green" metals: copper, tin and lithium, the latter via a free carried interest with Cornish Lithium.

SW England has a rich history in mining high-grade copper lodes, with an estimated 1 million tons of copper mined in the 1700s and 1800s. However, whilst there are over 2,000 documented mines in Cornwall, there has been little modern exploration applied to this region, with the most recent period being in the 1960s when four new mines were discovered and put into production. The recent discovery of near-surface, high-grade copper and tin mineralization at United Downs is testament to the exploration potential of the region.

There is strong community and local government support for the development of new mines in Cornwall as evidenced by the grant of the Company's planning permissions and the recent expansion of Cornish Lithium's projects in the area. Furthermore, management believes that there has been a recent shift in policy at local and central government levels which has seen growth in support for new mining projects in the UK, as demonstrated by the development of Scotgold's Cononish gold mine in Scotland and Anglo American's Woodsmith project in North Yorkshire.

Copper, tin and lithium are fundamental to growth in the technology sector and the transition to a low carbon economy. Independent market analysts forecast growing deficits for the copper, lithium and tin markets. Copper and tin have shown strong price increases through the past year as investors anticipate renewed investment into infrastructure, especially electrification of various sectors, as global economies recover from the COVID-19 pandemic.

The Company's 100% interest in the Cornwall mineral projects is held indirectly through South Crofty Limited (previously Western United Mines Limited), which is a wholly-owned subsidiary of Cornish Metals Limited (previously Strongbow Exploration (UK) Limited), itself a wholly-owned subsidiary of the Company. The Company's mineral rights in Cornwall are held indirectly through Cornish Mineral Limited (Bermuda), which is a wholly-owned subsidiary of Cornish Metals Limited.

United Downs exploration project

The United Downs exploration project is a near-surface, high-grade copper-tin discovery, surrounded by four former producing mines located within the historic Gwennap copper and tin mining district. Gwennap was the richest copper producing region in Cornwall (and the world) in the 18th and early 19th centuries, and at that time was referred to as "the richest square mile in the world."

Assays from recent drilling intersected some very high-grade copper-tin mineralization including 14.69 meters grading 8.45% copper and 1.19% tin, and 4.04 meters grading 4.44% copper and 2.06% tin. The semi-massive sulphide mineralization is similar in style to that found at nearby former producing mines.

In early April 2021, the Company commenced a phased exploration program at United Downs to delineate further the known mineralized structures, conduct in-fill drilling, and subject to exploration success, estimate mineral resources, and produce the required technical studies to demonstrate the feasibility of conducting mining operations in the area.

South Crofty tin project

The South Crofty tin project is a strategic asset for the Company. South Crofty comprises an underground permission (mine permit) area that covers 1,490 hectares, an area which includes twenty-six former producing mines to a working depth of 1,500 meters below surface. Production records date back to 1592, with full-scale mining activities commencing in the mid-17th century. South Crofty closed in 1998 as a result of the tin price collapse of 1985.

The underground permission for the South Crofty tin project was granted in 2013 and is valid until 2071. The Company also holds full planning permission to construct a new processing plant which could serve as a central processing facility for any mining project located within reasonable transport distance, including United Downs. The site is well serviced by power, road and rail infrastructure which will benefit the construction and operation of any future processing plant.

In February 2017, the Company announced completion of a Preliminary Economic Assessment ("PEA). The PEA indicates the South Crofty tin project is potentially economically viable and technically feasible. The outcome of this PEA, the positive supply/demand dynamics of the tin market, the granting of a long life mine permit, support from

Cornwall Council, together with the strong potential to materially add to the lower mine tin-only mineral resource, supports management's belief that South Crofty can become an operating mine again in the future.

Furthermore, completion of the 'proof of concept' drill program during 2020 demonstrates management's belief in the exploration potential at South Crofty to materially increase the existing resource base.

Planning, design and construction progress of the water treatment plant

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the reopening of the mine. In March 2017, a water treatment trial was successfully completed at South Crofty. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that will allow treatment and discharge of up to 25,000m^3/day of mine-water, following construction and commissioning of a new water treatment plant ("WTP"). Mine dewatering is expected to take between eighteen and twenty-four months and is subject to receipt of financing for the construction of the WTP.

Construction progress of the WTP has included various enabling works and the placing of orders for a number of long lead items, all of which have been delivered to site. The preparation work for the laying of the concrete foundation slab for the WTP has also been completed.

Surveys have been successfully completed of New Cook's Kitchen Shaft (the main access shaft at South Crofty) demonstrating that the shaft is open to the bottom. The existing guiderails within the shaft have been shown to be sufficiently robust to allow them to be used for the lowering of equipment when dewatering activities commence.

Agreement with Cornish Lithium

The Company also has exposure to Cornwall's lithium and geothermal potential through its agreement with Cornish Lithium whereby Cornish Lithium has the right to explore the Company's mineral rights in Cornwall for lithium contained in hot spring brines and associated geothermal energy. The Company retains the rights to any hard rock mineralization. Pursuant to these arrangements, the Company has:

- a 25% free carried interest, up to bankable feasibility study, on Cornish Lithium's first project located on the Company's mineral right areas;
- a 10% free carried interest, up to bankable feasibility study, on any subsequent projects located on the Company's mineral right areas; and
- a 2% gross revenue royalty from any production of metals from brines by Cornish Lithium and from any geothermal energy produced and sold to the national grid or other system produced from within any of the Company's mineral rights.

Activities Update for the Year Ended January 31, 2021 and for the Period ending May 13, 2021

Private placement of common shares

On February 3, 2020, the Company closed a private placement of common shares in which gross proceeds of $2,352,500 were raised.

The financing involved the Company issuing 47,050,000 units (the "Units") at a price of $0.05 per Unit which resulted in gross proceeds of $2,352,500. Each Unit is comprised of one common share and one half of one common share purchase warrant. Each full warrant allows the holder to purchase one additional common share of the Company (each, a "Warrant Share") at a price of $0.07 per Warrant Share for a period of 36 months from the closing date of the financing. In connection with the private placement, Osisko Gold Royalties Ltd, ("Osisko"), purchased a total of 20,000,000 Units.

The proceeds were used to conduct a drill program at the Company's South Crofty tin project (refer below) and for general working capital purposes.

New discovery of high-grade copper and tin mineralization

On April 6, 2020, the Company announced the discovery of a new zone of high-grade copper-tin mineralization at the United Downs exploration project in Cornwall. Two drill holes were drilled by Cornish Lithium to test the potential for lithium in brine at United Downs.

Drill hole GWDD-002 intersected semi-massive sulphide mineralization between 90.60 meters and 105.29 meters downhole depth. As announced on April 15, 2020, after assaying the final grades for the 14.69 meter intercept were 8.45% copper, 1.19% tin and 0.15% zinc. Further drilling is required to confirm the true width, as well as the strike and dip of the mineralized zone. The copper occurs as both chalcopyrite and chalcocite.

On November 18, 2020, the Company announced further multiple mineralized intercepts from both drill holes, including a 4.04 meter intercept grading 4.44% copper and 2.06% tin between 638.85 meters and 642.89 meters down hole in GWDD-002.

The drill holes confirm management's belief that there is exploration potential for both new structures and extensions to previously exploited structures within the United Downs exploration project.

'Proof of concept' drill program at South Crofty

A 'proof of concept' drill program commenced at South Crofty in June 2020. The main purpose of the drill program was to:

- validate the existing geological model;
- demonstrate the potential for additional mineral resource down-dip of known mineralized structures; and
- determine if directional drilling using wedges, in order to gain multiple intersects from each surface or underground drill hole, is a viable method for infill drilling of the deposit, thereby enabling a feasibility level study to be completed without dewatering the mine.

The initial drill program involved drilling up to 2,000 meters using rotary diamond drilling to recover drill core of various diameters. The first hole to be drilled was the 'parent' hole, which was collared at surface and drilled north at a minus 60-degree angle to a downhole depth of 1,150 meters. The parent hole was designed to test depth extension beneath multiple known mineralized structures. Subsequently, two 'daughter' holes were drilled from the parent hole, by setting wedges and using directional drilling to gain further intersections of the same mineralized structures at different depths.

Results received to the end of July 2020 were promising with good grade intersections below all known, previously mined structures, including: Tincroft South Lode - 1.15 meters at 1.73% tin equivalent, Tincroft Lode - 1.66 meters at 1.34% tin and Intermediate Lode - 1.85 meters at 2.19% tin (all true widths).

The drilling was completed on September 15, 2020 and the Company made further announcements with details of the multiple mineralized zones intersected in the parent hole and two daughter holes on September 9, September 15, and October 7, 2020, respectively. Highlights included an intercept of 2.60 meters grading 10.33% tin in No. 4 Lode between 974.20 meters and 976.80 meters down hole. This intersection included an intercept of 0.46 meters grading 39.6% tin, the second highest grade sample ever recorded at South Crofty.

The results of the drilling demonstrate that it is possible to directionally drill the structures at South Crofty from surface or shallow underground locations and that multiple intersections are possible from a single long parent hole using wedges to create multiple daughter holes. It is envisaged that using this method will reduce the number of surface or underground drill collar locations and the number of drilling metres required to complete the infill drilling necessary for a future feasibility study.

The number and quality of intersections reported underlines management's belief in the exploration potential at South Crofty, both down-dip of known structures and for finding unexploited structures between the known lodes.

Exercise of warrants

During October 2020, the Company implemented an early warrant exercise incentive program (the "Incentive Program") intended to encourage the early exercise of up to 23,525,000 Warrant Shares that were issued in February 2020 pursuant to the private placement financing (as described above). Certain warrant holders were restricted in their ability to participate in the Incentive Program as set out under applicable securities laws.

Under the terms of the Incentive Program, holders who exercised their Warrant Shares received:

- the common shares in the capital of the Company to which they were entitled under the terms of the Warrant Shares; and
- one additional common share purchase warrant of the Company (each, an "Incentive Warrant") entitling the holder to acquire an additional common share of the Company at a price of $0.10 per share for a period of two years from the date of issuance of such Incentive Warrant.

Pursuant to the Incentive Program, 5,222,222 Warrant Shares were exercised for proceeds of $365,555. Accordingly, under the terms of the Incentive Program, 5,222,222 Incentive Warrants were issued.

Outside the Incentive Program, 10,877,778 warrants were exercised during the year ended January 31, 2021, of which 10,627,778 were Warrant Shares and 250,000 were Incentive Warrants, resulting in total proceeds of $768,945.

A further 2,275,000 warrants have been exercised in the period to May 13, 2021, resulting in proceeds of $184,750. Of these warrant exercises, 1,425,000 were Warrant Shares and 850,000 were Incentive Warrants.

Listing on AIM

On February 16, 2021, the Company completed a listing and concurrent financing on AIM issuing 117,226,572 common shares at a price of £0.07 ($0.12), raising gross proceeds of £8.2 million ($14.4 million based on February 12, 2021 closing exchange rate). Upon listing on AIM, the Company had 267,145,157 shares issued and outstanding. The Company's shares continue to be listed and traded on the TSX-V.

The proceeds from the AIM listing are to be used to conduct a drill program at the United Downs exploration project to determine the resource potential of a 1,000 meter strike section of the main target area, to conduct initial field work (soil sampling and geophysics and possible drill testing) on other high priority exploration targets within transport distance of the proposed South Crofty process plant, and for general working capital purposes.

After receiving confirmation of its permitted development rights from Cornwall Council, being the relevant Mineral Planning Authority, the Company commenced its drill program at United Downs in early April 2021.

Pursuant to the Listing, the Company, SP Angel Corporate Finance LLP (the Company's Nominated Adviser on AIM) and Osisko Development Corporation ("ODV", the Company's major shareholder), entered into a Relationship Agreement which governed ODV's conduct as a significant shareholder in the Company. Following the warrant exercises noted above in the period to May 13, 2021, ODV's shareholding in the Company fell below 20.0%, which resulted in the termination of the Relationship Agreement.

Conversion of Osisko note into royalties

On February 19, 2021, Osisko exercised the royalty option and converted its note with an outstanding amount of $7.17 million into two royalty agreements as follows:

- 1.5% NSR on the South Crofty tin project; and
- 0.5% NSR on any other mineral rights held by the Company in Cornwall that do not form part of the South Crofty tin project.

In connection with the conversion of the Note, Osisko agreed to release the comprehensive security package originally entered into by the Company in January 2018 pursuant to the Note, and has agreed to a more simplified and reduced security package. The reduced security package is restricted to the Company's subsidiary, Cornish Mineral Limited (Bermuda), which holds the Company's mineral rights in Cornwall.

Agreement of South Crofty leases and disposal of mine water treatment waste

On March 8, 2021, agreement was reached with Brownfield Investments Limited and Roskear Minerals LLP ("Roskear Minerals") to lease a 1.2 hectare site surrounding New Roskear Shaft in Camborne, Cornwall for up to 23 years. This agreement secures access to the New Roskear Shaft, a 650 meter deep, six meter diameter, vertical shaft in the center of Camborne, which is important for ventilation and secondary access / egress to the South Crofty mine.

Also on March 8, 2021, agreement was reached to lease the mineral rights owned by Roskear Minerals within the South Crofty tin project for up to 25 years. This agreement enables the Company to explore and develop the mineral resources that are contained in the Roskear section of the South Crofty mine. During the 1980s and 1990s, much of the ore mined from the South Crofty mine originated from this part of the mine, and it is considered by the Company to be a key area for delineation of additional mineral resources.

Additionally, a binding heads of terms was agreed with Wheal Jane Limited for the disposal of waste material derived from the treatment of mine water from the South Crofty mine into the Wheal Jane tailings dam located 12 kilometers east of South Crofty. The agreement will become effective when dewatering of the South Crofty mine commences.

Appointment of new Chairman

Following the AGM held on July 8, 2020, Mr. Patrick Anderson was appointed Chairman of the Board of Directors. Mr. Anderson is currently the Chief Executive Officer of Dalradian Resources which is advancing the Curraghinalt gold project in Northern Ireland. Mr. Grenville Thomas, the previous Chairman, continues to remain on the Board as a Director.

Appointment of new Director

On October 27, 2020, Mr. John McGloin was appointed to the Board as a Director. Mr. McGloin is based in the UK and currently serves as a non-executive Director of Perseus Mining Limited, Amphi Capital Limited and Caledonia

Mining Plc., the Chairman of Oriole Resources Plc., and is the former Chairman and Chief Executive of Amara Mining.

Mr. McGloin is a geologist and graduate of Camborne School of Mines and worked for many years in Africa within the mining industry before moving into consultancy. He joined Arbuthnot Banking Group following four years at Evolution Securities as their mining analyst. He is also the former Head of Mining at Collins Stewart.

Company name changes

On July 29, 2020, Strongbow Exploration Inc. changed its name to Cornish Metals Inc. The name change did not involve a consolidation of share capital nor did the name change affect the rights of the Company's shareholders.

In addition to changing the name of the parent listed entity, Western United Mines Limited, the UK entity owning the Company's interest in the Cornwall mineral properties, changed its name to South Crofty Limited. Strongbow Exploration (UK) Limited, the UK holding entity, changed its name to Cornish Metals Limited.

Impact of COVID-19

Part of the use of proceeds from the private placement conducted in February 2020 noted above was to commence a 'proof of concept' drill program at the South Crofty tin project, whereby a deep 'parent' diamond drill hole and several 'daughter' holes were planned to commence in April 2020. As a result of the travel and workplace restrictions imposed by the UK government, the commencement of the drill program was delayed to June 2020. As noted above, the initial phase of the drill program was completed in September 2020, a few weeks later than originally planned.

During the first lockdown period in March and April 2020, certain staff deemed essential to the operations of the South Crofty tin project attended work on-site with enhanced health and safety protocols in place. All other staff worked from home. Since such time, all staff are now working at the mine site under the enhanced health and safety protocols.

To date, none of the Company's employees or contractors have been diagnosed with COVID-19.

Next steps

As noted above, the proceeds from the recently completed AIM listing are to be used to conduct a drill program at the United Downs exploration project, to conduct initial field work on other high priority exploration targets within transport distance of South Crofty, and for general working capital purposes. Management believes that, subject to drilling success, the proceeds from the AIM listing will result in the Company being fully funded to the completion of a maiden JORC resource at the United Downs exploration project.

Over the next 12 to 18 months, the Company's plans are as follows:

- Commence an 18 month 9,100 meter initial drilling program at United Downs to advance the project to Inferred Mineral Resource definition, fully funded from the proceeds arising from the AIM listing;
- To test three lodes with a 1,000 meter of strike length to a depth of 500 meter in the initial phase. Management believes there are up to seven further mineralized lode structures with a total resource potential of between four million tons and ten million tons;
- Subject to the outcome of the initial drilling program, to undertake a subsequent in-fill drilling program at United Downs to advance the project to a feasibility study within three years; and
- Evaluate other near-surface, high potential, exploration targets within transport distance of the planned processing plant site.

In the longer term, the Company intends to develop the South Crofty tin project as and when economic conditions and cashflows are supportive.

Results of Operations

Year ended January 31, 2021

During the year ended January 31, 2021 (the "Current Year"), the Company recorded a loss of $1,598,400 as compared to a loss of $4,559,178 for the year ended January 31, 2020 (the "Comparative Year"). Comprehensive loss for the Current Year totaled $1,509,368 ($0.01 loss per share) as compared to comprehensive loss of $4,409,182 ($0.05 loss per share) in the Comparative Year.

The Company recognized a foreign currency translation gain of $89,032 (Comparative Year – $149,996) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Year, expenses totaled $1,986,727 as compared to expenses of $1,775,705 in the Comparative Year. This increase is mainly attributable to higher professional fees, share-based compensation expense recognized in the Current Year that was not recognized in the Comparative Year, offset by lower advertising and promotion expense.

Advertising and promotion expense (Current Year - $134,790; Comparative Year - $406,705) decreased due to the reduced level of activities in the Current Year. This expense category includes travel expenses of the Company's executives relating to the continued development of the Company's mineral properties in Cornwall and meetings with investors and advisers in the UK and Canada to progress various financing initiatives. The impact of COVID-19 significantly curtailed travel expenditure in the Current Year, with more meetings taking place online. Other costs in this expense category include fees related to public relations in the UK and investor relations in North America, both of which were lower during the Current Year as cost saving initiatives were implemented. The Comparative Year included attendance subscriptions at various investor relations conferences, most of which were not held during the Current Year, and marketing advisory fees, which were not incurred in the Current Year.

Professional fees (Current Year - $305,633; Comparative Year - $241,021) include accounting and audit fees, legal fees and consulting expenses. Professional fees increased due to a higher level of legal and advisory fees incurred in respect of various corporate initiatives undertaken in the Current Year. These included the financial advisory fees relating to preparatory work for the AIM listing which were not eligible for capitalization.

Salaries and benefits expense (Current Year - $702,758; Comparative Year - $699,746) remained broadly consistent between periods as there were no changes in compensation arrangements.

Share-based compensation expense (Current Year - $304,204; Comparative Year - $Nil) increased due to the award of stock options in August 2020 with previous awards of stock options having been fully vested by January 31, 2019. The share-based compensation expense in the Current Year relates to the estimated fair value of the 5,150,000 stock options granted to Directors and senior management on August 19, 2020. The options have an exercise price of 10 cents per share and are valid for a five year period expiring on August 19, 2025. The options have a 12 month vesting period, with 20% vesting immediately and 20% vest on a three monthly basis thereafter.

Insurance expense (Current Year - $79,270; Comparative Year - $78,964) remained similar as the Company's exposures and asset base have not significantly changed.

Office, miscellaneous and rent (Current Year - $36,708; Comparative Year - $15,073) increased as there was lower income receivable from sub-lease agreements with tenants within the Company's office located in Vancouver. Additional receipts offsetting expenditure in this expense category is monthly income of approximately $600 (Comparative Year - $600) receivable from Winshear Gold Corp ("Winshear"), a company related by virtue of a common director, in respect of an apportionment of rent and similar expenditure for the Vancouver office. Included in this expense category is a monthly fee of $540 (Comparative Year - $650) payable to North Arrow Minerals Inc. ("North Arrow"), a company related by virtue of two common directors, for storage and administrative support. Other miscellaneous costs include the Company's membership fee of the International Tin Association and sponsorship costs of various sporting activities held in communities located in close proximity to the Company's mineral properties in Cornwall.

Regulatory and filing fees (Current Year - $30,567; Comparative Year - $14,074) increased due to the filing fees associated with the stock options issued in August 2020 and the early warrant exercise incentive program announced in October 2020.

Accretion expense (Current Year - $292,076; Comparative Year - $218,408) relates to the unwinding of the convertible note with Osisko for $7.17 million that closed on January 26, 2018. Total accretion for the convertible note was $783,038 (Comparative Year - $684,872), of which $292,076 has been expensed in the Current Year (Comparative Year - $193,912) and $490,962 has been capitalized to property, plant and equipment (Comparative Year - $490,960). Accretion capitalized under the convertible note remained constant as borrowing costs attributable to the purchase of property, plant and equipment remained the same across the Current Year and Comparative Year. As at January 31, 2021, the estimated net present value of the convertible note was $5,993,803. Also included in accretion expense in the Comparative Year was $24,496 (Current Year - $Nil) related to the unwinding of the line of credit advanced from Osisko which was used to acquire the Cantung and Mactung royalties in March 2016. The line of credit was settled on September 6, 2019.

Depreciation (Current Year - $87,034; Comparative Year - $91,400) remained broadly consistent as there were no new significant additions of property, plant and equipment during the Current Period for which depreciation is charged. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Year, capitalized depreciation was broadly consistent (Current Year - $51,004; Comparative Year - $50,944) as the depreciable asset base at South Crofty remained largely unchanged.

Other operating expenses incurred during the Current Year include the finance cost relating to the unwinding of the discount on the lease liability recognized as a consequence of IFRS 16 (Current Year – $9,717; Comparative Year – $4,072) and generative exploration costs of $3,970 (Comparative Year - $6,242) relating to rental expenditure for the Sleitat property in Alaska, U.S.A. Generative exploration costs were lower in the Current Year as the Coal Creek property was relinquished on December 1, 2019.

Interest income (Current Year - $4,537; Comparative Year - $8,162) was lower reflecting a decreased cash balance held across the Current Year and more generally, lower interest rates being received on the Company's cash balance across the Current Year.

During the Current Year, an unrealized gain on marketable securities of $391,797 was recognized (Comparative Year - realized gain of $30,019 and unrealized gain of $164,344). In the Current Year, the unrealized gain on marketable securities was primarily attributable to the higher fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2020, using the allotment price of common shares issued by Cornish Lithium following its most recent fundraising. The realized gain on marketable securities during the Comparative Year arose through the disposal of 1,000,000 common shares in Westhaven Gold Corp. (formerly Westhaven Ventures Inc., "Westhaven") as compared to their market value as at January 31, 2019. The Company's holding in Westhaven was disposed by January 31, 2020. The unrealized gain in the Comparative Year was primarily attributable to the higher fair value of the Company's holding in Cornish Lithium, compared to its fair value as at January 31, 2019.

During the Comparative Year, the Company wrote off $582,617 in deferred financing fees which consisted primarily of legal, accounting and related professional fees incurred in connection with a listing of the Company's common shares and a concurrent financing on AIM. The Company was unable to complete the listing and concurrent equity financing on AIM as originally envisaged and therefore the capitalized deferred financing fees were written off.

During the Comparative Year, the Company impaired the carrying value of the Mactung and Cantung royalties by $1,500,000 and the exploration and evaluation assets related to the Sleitat and Coal Creek properties in Alaska, U.S.A. by $879,942.

Three months ended January 31, 2021

During the three months ended January 31, 2021 (the "Current Quarter"), the Company recorded a loss of $104,401 as compared to a loss of $2,336,588 for the three months ended January 31, 2020 (the "Comparative Quarter"). The Company recorded a comprehensive profit of $119,918 ($0.00 profit per share) as compared to a comprehensive loss of $2,192,956 ($0.03 loss per share) in the Comparative Quarter.

The Company recognized a foreign currency translation gain of $224,319 (Comparative Quarter – $143,632) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Quarter, expenses totaled $535,107 as compared to expenses of $377,366 in the Comparative Quarter. This increase is mainly attributable to higher professional fees, share-based compensation expense recognized in the Current Quarter that was not recognized in the Comparative Quarter, offset by lower advertising and promotion expense.

Advertising and promotion expense (Current Quarter - $27,612; Comparative Quarter - $35,825) decreased due to a refund received in the Current Quarter in respect of investor relations activities in North America as cost saving initiatives were implemented.

Professional fees (Current Quarter - $113,255; Comparative Quarter - $56,806) increased as a higher level of legal and advisory fees were incurred in the Current Quarter in respect of various corporate initiatives, including preparatory work for the AIM listing.

Salaries and benefits expense (Current Quarter - $178,319; Comparative Quarter - $177,620) were consistent between quarters as there were no changes in compensation arrangements.

Share-based compensation expense (Current Quarter - $73,954; Comparative Quarter - $Nil) increased due to the award of stock options in August 2020.

Insurance expense (Current Quarter - $20,839; Comparative Quarter - $19,984) remained similar as the Company's exposures and asset base have not significantly changed.

Office, miscellaneous and rent (Current Quarter - $7,481; Comparative Quarter - $1,108) increased due to lower income receivable from sub-lease agreements with tenants.

Regulatory and filing fees (Current Quarter – $5,087; Comparative Quarter - $1,315) increased due to filing fees associated with the early warrant exercise incentive program and the conversion of the Osisko note.

Accretion expense (Current Quarter - $83,871; Comparative Quarter - $58,433) increased due to the higher accretion expense arising from the convertible note with Osisko. Total accretion for the convertible note was $206,612 (Comparative Quarter - $181,174), but of this figure, $83,871 has been expensed in the Current Quarter and $122,741 has been capitalized to property, plant and equipment. In the Comparative Quarter, $122,741 was capitalized to property, plant and equipment and $58,433 was expensed.

Depreciation (Current Quarter - $19,899; Comparative Quarter - $22,389) remained broadly consistent as there were no new significant additions of property, plant and equipment during the Current Quarter for which depreciation is charged.

During the Current Quarter, an unrealized gain on marketable securities of $438,402 was recognized (Comparative Quarter – realized loss of $17,067 and unrealized gain of $200). The unrealized gain in the Current Quarter was primarily attributable to the higher fair value of the Company's holding in Cornish Lithium compared to its fair value as at October 31, 2020. The realized loss of $17,067 in the Comparative Quarter arose through the disposal of 300,000 common shares in Westhaven during the Comparative Quarter as compared to their market value as at October 31, 2019.

During the Comparative Quarter, the Company wrote off $582,617 in deferred financing fees and impaired the carrying value of the Mactung and Cantung royalties by $1,500,000, as noted above.

<u>Assets and Liabilities</u>

Total assets increased to $18,179,806 as at January 31, 2021 as compared to total assets of $15,863,334 as at January 31, 2020. The increase in the Company's asset base is mainly attributable to the exercise of warrants, the private placement of common shares which closed in February 2020 offset by the comprehensive loss for the Current Year.

The Company's cash balance decreased from $1,305,253 as at January 31, 2020 to $353,601 as at January 31, 2021 principally as a result of proceeds received from the private placement financing and the exercise of warrants, more than offset by ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities increased from $547,721 as at January 31, 2020 to $1,004,307 at January 31, 2021. Included in marketable securities is the fair value of common shares held in private companies of $1,001,007 (January 31, 2020 - $545,121). Most of this holding comprises common shares in Cornish Lithium in which further common shares were received during the year at a fair value of $64,789. The Company's holding in Cornish Lithium was fair valued as at January 31, 2021 giving rise to an unrealized gain of $391,797 for the Current Year.

Receivables remained consistent at $23,644 as at January 31, 2021 from $23,414 as at January 31, 2020. Receivables largely consist of sales tax receivables from the governments of Canada and the UK. The movement in sales tax receivable balances are due to the timing of settling contractual obligations.

Prepaid expenses decreased to $41,691 as at January 31, 2021 as compared to $54,702 as at January 31, 2020. Prepaid expenses decreased due to certain expenses that were not incurred in the Current Year.

Deferred costs on the conversion of the royalty option increased to $151,037 as at January 31, 2021 as compared to $Nil as at January 31, 2020. These costs relate to legal fees incurred on the conversion of the Osisko note into two royalty agreements. As at the effective date of this transaction of February 19, 2021, these legal expenses have been netted against the carrying value of the NSR liability resulting from the conversion.

As at January 31, 2021, the Company capitalized $688,839 in deferred financing fees. These fees consist primarily of legal, accounting and related professional fees incurred in connection with a listing of the Company's common shares and a concurrent financing on AIM. As of February 16, 2021, the Company completed its listing and concurrent financing on AIM. The deferred financing fees have therefore been applied against the gross proceeds raised from the listing as of this date.

Deposits remained similar at $36,976 as at January 31, 2021, as compared to $36,829 as at January 31, 2020. Included in this balance is a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment ("PPE") assets increased to $6,371,852 as at January 31, 2021 from $5,966,727 as at January 31, 2020. The most significant item within PPE is the capitalization of the WTP at $4,456,781 for which design and construction activities have commenced. The WTP is treated as work in progress and is therefore not depreciated. Also capitalized is the right-to-use real estate (the Vancouver office referred above) which was initially measured at the Company's transitional date for the implementation of IFRS 16 at the present value of the lease payments over the term of the lease expiring on April 30, 2021. During the Current Year, borrowing costs of $490,962 were capitalized to the WTP and land, as approximately half the proceeds from the convertible note were used towards the initial design and construction of the WTP and purchase of the land surrounding New Cook's Kitchen Shaft. PPE was also impacted by a foreign currency translation gain of $28,143 arising from the appreciation of the British pound against the Canadian dollar since January 31, 2020.

Exploration and evaluation assets of $9,507,859 as at January 31, 2021 represent 52% of total assets and increased from $7,928,688 as at January 31, 2020. During the Current Year, the Company capitalized $1,579,171 to exploration and evaluation assets. All these costs related to the Company's mineral properties in Cornwall, reflecting general expenditure at the South Crofty mine, such as salaries and benefits, utility expenses and general maintenance expenses of the mine, as well as the cost of the 'proof of concept' drill program described above which amounted to $638,561. Preparation costs of $27,788 were capitalized ahead of the commencement of the exploration program at United Downs. Exploration and evaluation assets were also impacted by a foreign currency translation gain of $72,874 arising from the appreciation of the British pound against the Canadian dollar since January 31, 2020.

A summary of the Company's capitalized exploration and evaluation assets is as follows:

	January 31, 2020	Expended during the year	**January 31, 2021**
Cornwall Mineral Properties, UK			
Exploration costs	$ 1,063,273	$ 887,884	**$ 1,951,157**
Tenure and utility costs	861,485	148,307	**1,009,792**
Office and remuneration costs	2,777,237	483,891	**3,261,128**
Capitalized depreciation	347,324	51,004	**398,328**
Asset acquisition	3,023,374	-	**3,023,374**
Recovery of costs	(255,906)	(64,789)	**(320,695)**
Foreign currency translation	111,901	72,874	**184,775**
	$ 7,928,688	$ 1,579,171	**$ 9,507,859**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

Current liabilities increased to $967,513 as at January 31, 2021 from $688,883 as at January 31, 2020 due to the timing of settling contractual obligations, in particular professional fees relating to the AIM listing, residual costs from the 'proof of concept' drill program and settlement of the final installment relating to the delivery of the dewatering pumps. Also included in current liabilities is the current portion of the lease liability of $20,389 (January 31, 2020 - $78,595) arising from the implementation of IFRS 16.

Total long-term liabilities increased to $8,880,317 at January 31, 2021 from $8,117,592 as at January 31, 2020 principally due to the accretion of $783,038 in the Current Year related to the convertible note with Osisko. This increase is partly offset by the absence of a long-term portion of the lease liability arising from the implementation of IFRS 16, which is now classified as short-term since the lease term expires on April 30, 2021. The convertible note is split between debt and royalty components of $5,993,803 and $2,886,514, respectively (refer note 14 of the audited consolidated financial statements for the year ended January 31, 2021).

Selected Annual Information

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the audited financial statements, prepared in accordance with IFRS, and their related notes.

	YEAR ENDED January 31, 2021 $	January 31, 2020 $	January 31, 2019 $
General and administrative expenses, net	**1,986,727**	1,775,705	2,496,072
Total gain on marketable securities	**391,797**	194,363	2,886,617
Income (loss) for the year:			
- Before taxes	**(1,598,400)**	(4,559,178)	325,976
- After taxes	**(1,598,400)**	(4,559,178)	325,976
Comprehensive income (loss) for the year:			
- In total	**(1,509,368)**	(4,409,182)	325,976
- Basic and diluted income (loss) per share	**(0.01)**	(0.05)	0.00
Total assets	**18,179,806**	15,863,334	17,977,524
Property, plant and equipment	**6,371,852**	5,966,727	4,999,617
Exploration and evaluation assets	**9,507,859**	7,928,688	7,379,019
Total long-term financial liabilities	**8,880,317**	8,117,592	8,887,911

The Company's general and administrative expenses reflect the level of activities for the development of the Company's mineral properties in Cornwall which are not eligible for capitalization, and at a corporate level more generally. General and administrative expenses also include certain costs incurred in connection with the Company's financing activities, as well as non-cash expenditure related to accretion for the convertible note with Osisko and share-based compensation expense for awards of share options.

The gain on marketable securities largely reflects the change in market value arising from the Company's interest in Cornish Lithium and Westhaven. The Company's interest in Westhaven was disposed by January 31, 2020.

Income for the year reflects the level of operating expenses and gains on marketable securities, as well as any write offs and impairments which have been recognised against assets.

On February 1, 2019, the functional currency of the UK subsidiaries was changed to the British pound on a prospective basis. From this date, comprehensive income includes the foreign currency exchange differences arising from the translation of the UK subsidiaries into Canadian dollars on consolidation.

Movements in total assets during the years presented are due to the proceeds raising from financing activities being used for the development of the Company's mineral properties in Cornwall, including initial expenditure on the WTP and the 'proof of concept' drill program, less any write offs and impairments recognized against other assets.

Total long-term liabilities represent the debt and royalty option associated with the convertible note with Osisko as well as the estimated present value of the $1.5 million line of credit from Osisko which was settled in September 2020.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the Company's consolidated condensed interim financial statements prepared by management. The Company's consolidated condensed interim financial statements are prepared in accordance with IFRS.

Quarter ending	Interest income $	Income (loss) from continued operations $	Basic income (loss) per share from income (loss) $	Fully diluted income (loss) per share(*) from income (loss) $
January 31, 2021	$ 20	$ (104,401)	$ (0.00)	$ (0.00)
October 31, 2020	199	(704,522)	(0.01)	(0.01)
July 31, 2020	1,059	(390,585)	(0.00)	(0.00)
April 30, 2020	3,259	(398,893)	(0.00)	(0.00)
January 31, 2020	385	(2,336,588)	(0.05)	(0.05)
October 31, 2019	863	(203,274)	(0.00)	(0.00)
July 31, 2019	2,467	(1,484,584)	(0.02)	(0.02)
April 30, 2019	4,447	(534,730)	(0.01)	(0.01)

* Based on the treasury share method for calculating diluted earnings.

Quarterly losses have generally arisen largely due to operating expenses being incurred for the development of the Company's mineral properties in Cornwall, which are not eligible for capitalization, and at a corporate level more generally. Corporate activities include preparatory work for fundraising and other financing initiatives, with the timing of such work impacting the quarterly results.

The Company's expenses also include non-cash expenses such as accretion (related to the Company's financing activities), share-based compensation expense, which varies depending on when share options are granted and vest, and write offs/impairments against assets.

Quarterly results are also impacted by unrealized and realized gains (losses) on marketable securities recognized in income (loss).

Liquidity and Capital Resources

The Company's working capital as at January 31, 2021 was $1,295,606 as compared to working capital of $1,242,207 as at January 31, 2020. Cash decreased by $951,652 in the Current Year (Comparative Year – $856,519) to $353,601 as at January 31, 2021 (cash of $1,305,253 as at January 31, 2020).

Net cash used in operations during the Current Year was $1,264,568 (Comparative Year - $1,360,091). Changes in working capital items during the Current Year included an increase in receivables of $116, a decrease in prepaid expenses of $21,470 and an increase in payables and accrued liabilities of $11,244.

During the Current Year, the Company used $1,646,685 (Comparative Year – $504,507) for investing activities, including $315,779 for the acquisition of PPE mainly relating to the settlement for the next instalment of the dewatering pumps for the WTP, and $1,330,906 for expenditure which was capitalized to exploration and evaluation assets, all related to the Company's mineral properties in Cornwall. In the Comparative Year, $1,366,235 was incurred on exploration and evaluation assets, primarily related to the South Crofty tin project, and $18,291 was incurred on PPE.

Net cash arising from financing activities was $1,970,752 in the Current Year (Comparative Year –$1,017,247). In connection with the private placement financing which closed on February 3, 2020, during the Current Year the Company received $1,177,500 in gross subscriptions and settled $49,427 in share issue costs. The overall financing raised gross proceeds of $2,352,500, of which $1,175,000 was received as at January 31, 2020. Net proceeds from the financing amounted to $2,302,323. During the Current Year, 16,100,000 warrants were exercised for proceeds of $1,134,500 (Comparative Year - $Nil). The Company also made lease payments of $88,338 (Comparative Year - $85,545) and settled deferred costs on the conversion of the royalty option of $49,174 (Comparative Year - $Nil) and deferred financing fees of $344,211 (Comparative Year - 71,458) relating to the Company's listing on AIM. In connection with the AIM listing which completed on February 16, 2021 and raised gross proceeds of in excess of $14 million, the Company received $189,902 in advance subscriptions by January 31, 2021.

Funding requirements are forecast with reference to the Company's planned exploration, development and corporate activities and anticipating investing and financing activities. Actual funding requirements may vary from those planned due to a number of factors, including results from exploration and development activities and the Company's ability to raise additional funds at favourable terms. The Company has historically relied on equity financings and asset sales, or a combination thereof to finance its activities, although the convertible note with Osisko provided a complementary funding source for the Company.

Equity financings at the Company's stage of development can be challenging depending on the prevailing economic environment and commodity cycle. Equity financings also result in dilution to existing shareholders which increases as the share price decreases. Furthermore, market volatility and economic uncertainties have the potential to create uncertainty for future equity financings. The Company's ability to raise equity financing is therefore impacted by market conditions, its share price and third party interest in its assets.

The Company has no credit facilities that can be used for ongoing operations because it has no operating cash flow. The Company may find raising additional financing through securitisation of its assets challenging since the royalty agreements with Osisko require that the Company's mineral rights in Cornwall are pledged as security.

Risks and Uncertainties

Liquidity and going concern risks

The Company's financial condition and future prospects are significantly affected by the ability of the Company to obtain the financing necessary to complete the exploration and development of its mineral properties and upon future profitable production. Since the Company has not generated significant revenues from operations and is considered to be in the exploration stage, liquidity risk and going concern are the most significant risks faced by the Company at the present time.

As at January 31, 2021, the Company had current assets of $2,263,119 to settle current liabilities of $967,513. Although the Company has positive working capital of $1,295,606 as at January 31, 2021, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure, including further exploration work, if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

The Company's audited consolidated financial statements for the year ended January 31, 2021 have been prepared on a going concern basis with the assumption that 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. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company and further exploration and development of its mineral properties is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

In February 2021, the convertible note entered into with Osisko in January 2018 was converted into royalties over the Company's mineral properties in Cornwall. Whilst the convertible note was secured by a first ranking lien on all of the assets of the Company and its subsidiaries, the security package for the royalties is limited to the Company's mineral rights in Cornwall and a share pledge over the subsidiary company which holds such rights. If an event of default occurs under the royalty agreements, Osisko has the right to realize upon its security and become the owner of the Company's mineral rights in Cornwall.

Foreign currency risk

The Company has its most significant exposure to foreign currency risk through expenditure incurred on its mineral properties in the United Kingdom. Most of the Company's expenditure incurred on its mineral properties is in British pounds, therefore the fluctuation of the Canadian dollar in relation to this currency will consequently have an impact on the value of the Company's assets. The Company does not presently invest in foreign denominated currency contracts to mitigate this risk, but will closely monitor this risk depending on the amount and currency of any fundraising for the exploration, evaluation and future development of the Company's mineral properties located in the UK.

For the year ended January 31, 2021, with other variables unchanged, a 5% increase or decrease of the British pound and the US dollar against the Canadian dollar would increase or decrease financial assets and liabilities by approximately $24,300.

Credit risk

The maximum exposure to credit risk is the carrying value of the Company's receivables and cash. The Company's receivables consist primarily of sales tax receivables due from the Canadian and UK governments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is minimal as cash is placed in deposits held with Canadian and British financial institutions that generate low investment returns and furthermore, the Company has no financial liabilities subject to variable interest rates.

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities. The Company sells its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices, particularly tin and copper. The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices in forecasting its cash flow requirements for the funding of its ongoing exploration and corporate activities and estimated development costs in bringing assets into production. The Company does not presently invest in commodity hedges to mitigate this risk.

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value.

As at May 13, 2021, there were 269,420,157 common shares issued and outstanding.

As at May 13, 2021, the Company had the following stock options and warrants outstanding:

	Number of shares	Exercise price	Number exercisable	Expiry date
Options	2,125,000	$ 0.15	2,125,000	January 3, 2022
	1,855,000	0.20	1,855,000	November 3, 2022
	5,150,000	0.10	3,090,000	August 19, 2025
Warrants	6,250,000	$ 0.07	6,250,000	February 3, 2023
	4,122,222	0.10	4,122,222	November 9, 2022

During the year ended January 31, 2021, the Company granted 5,150,000 (2020 – Nil) stock options to Directors and officers with an estimated fair value of $384,758 (2020 – $Nil). As of January 31, 2021, 40% of these stock options had vested and as of May 13, 2021, 60% had vested.

During the year ended January 31, 2021, the Company recorded $304,204 (2020 - $Nil) in share-based compensation expense.

The Company used the following assumptions to estimate a fair-value for the stock options granted during the years ended January 31, 2021 and 2020:

	Year ended January 31, 2021	Year ended January 31, 2020
Risk-free interest rate	0.39%	-
Expected dividend yield	0%	-
Expected stock price volatility	142%	-
Expected life	5 years	-

Transactions with Related Parties

The Company entered into the following transactions with related parties during the year ended January 31, 2021 and 2020:

a) Paid $7,239 to North Arrow, a company with two common directors, for office space and administrative services (2020 - $7,943), of which $Nil was included in accounts payable and accrued liabilities (2020 - $Nil);

b) Received $9,907 from Winshear, a company with a common director, relating to an apportionment of rent and similar expenditures for the Vancouver office (2020 - $6,073), of which $1,919 was included in receivables (2020 - $1,521);

c) Received $1,000,000 from Osisko pursuant to its participation in the private placement completed in February 2020, and $100,000 and $15,000 from two directors (D. Grenville Thomas and Don Njegovan, respectively) who also participated in the private placement;

d) Received $70,000 from D. Grenville Thomas relating to the exercise of 1,000,000 Warrant Shares on October 7, 2020. Of these exercises, 332,021 Warrant Shares were exercised within the Incentive Program resulting in D. Grenville Thomas being issued with 332,021 Incentive Warrants;

e) Received $10,500 from Don Njegovan relating to the exercise of 150,000 Warrant Shares on October 28, 2020. Of these exercises, 49,803 Warrant Shares were exercised within the Incentive Program resulting in Don Njegovan being issued with 49,803 Incentive Warrants;

f) Received $29,600 from Osisko for proceeds relating to the exercise of 422,857 Warrant Shares on November 9, 2020. Of these exercises, 140,398 Warrant Shares were exercised within the Incentive Program resulting in Osisko being issued with 140,398 Incentive Warrants; and

g) Received $670,400 from Osisko Development Corporation ("ODV") relating to the exercise of 9,577,143 Warrant Shares on January 25, 2021. Osisko transferred its shareholding in the Company, including any unexercised Warrant Shares, to its subsidiary, ODV, on November 25, 2020. Osisko and ODV have consequently exercised all Warrant Shares issued to Osisko pursuant to the private placement financing completed in February 2020.

Key management are regarded as related parties for disclosure purposes, and includes the Company's Directors and officers. Compensation awarded to key management was as follows:

	Year ended	
	January 31, 2021	January 31, 2020
Salaries and benefits[1]	**$ 571,001**	**$ 575,999**
Share-based payments[2]	**304,204**	**-**
Total	**$ 875,205**	**$ 575,999**

1 Allocated $563,750 (2020 - $560,499) to salaries and benefits and $7,251 (2020 - $15,500) to professional fees.

2 Share-based payments are the fair value of options that have been granted and vested to Directors and other key management personnel.

Commitments

The Company has entered into contracts with utility providers and mineral lease owners, none of which are regarded as significant or non-routine in nature. Costs under these contracts are either expensed to profit or loss, or capitalized to exploration and evaluation assets depending on their nature.

The Company also has outstanding commitments relating to the construction of the water treatment plant for $260,000. The timing of payments relating to these commitments is uncertain, and would depend on the progress of construction.

Upon commencement of mining, the Company is liable to make payments to owners of mineral properties within the underground mine permission area of the South Crofty tin project which the Company leases for the purposes of ore extraction. Payments will take the form of either:

- an advance payment of £50,000 per annum (equivalent to $87,700 at the period end GBP/CAD rate) during periods when there is no production from the respective owner's mineral rights ("Advance Royalty Payments"), or
- a NSR payable for a minimum of £50,000 on ore extracted from property that falls within the mineral rights held by the owner which varies according to the prevailing tin price.

The Advance Royalty Payments will be deducted from NSR royalty payments as and when the NSR royalties become payable.

Financial Instruments

A description of the Company's financial instruments and the financial risks to which the Company is exposed can be found in note 4 of the audited consolidated financial statements for the year ended January 31, 2021 and 2020.

Capital Management

A description of the Company's capital management can be found in note 16 of the audited consolidated financial statements for the January 31, 2021 and 2020.

Significant Accounting Estimates and Judgments

A description of the Company's significant accounting estimates and judgments can be found in note 3a of the audited consolidated financial statements for the years ended January 31, 2021 and 2020.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets is provided in the Company's consolidated statement of financial position, statement of changes in equity, statement of loss and comprehensive loss and the exploration and evaluation assets note contained in its audited consolidated financial statements for the year ended January 31, 2021 and 2020 prepared in accordance with IFRS. These statements are available on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com and is available on the Company's website at www.cornishmetals.com.

Forward-Looking Statements

This Annual MD&A may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's ability to evaluate and develop the South Crofty tin project, including, but not limited to: obtaining the required consents and permissions for further development of the South Crofty tin project; assumptions included in the PEA and the likelihood that any of these assumptions will be realized; project growth opportunities for South Crofty; obtaining financing when required and on terms acceptable to the Company; the Company's ability to maintain its exploration and evaluation assets in good standing; the Company's ability to construct and operate the WTP within the terms of the applicable regulatory requirements; the Company's ability to comply with the terms of the convertible note financing pursuant to the sale by the Company of a 1.5% NSR on South Crofty, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, success of exploration activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans and estimated future financing requirements contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, acquisitions, financings, regulatory developments, development plans, exploration and development activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the UK Pound Sterling, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, except as required by law.

A summary of the acquisition and exploration activities for the Company can be found above, as well as a description of other corporate activities. These summaries include some discussion of management's future exploration plans. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in these statements. The Company's exploration programs are subject to change from time to time, based on the analysis of results and changing corporate priorities, exploration targets and funding considerations.

Approval

The Board of Directors of the Company has approved the disclosure contained in this Annual MD&A. A copy of this Annual MD&A will be provided to anyone who requests it.