CORNISH METALS INC.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

APRIL 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

<u>Reader's Note</u>

These consolidated condensed interim financial statements of Cornish Metals Inc. ("Cornish Metals") for the three months ended April 30, 2021 have been prepared by and are the responsibility of Cornish Metals' management.

Cornish Metals' 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.

CORNISH METALS INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	April 30, 2021	January 31, 2021
ASSETS		
Current		
Cash	$ 11,511,900	$ 353,601
Marketable securities (Note 4)	1,004,307	1,004,307
Receivables (Note 14)	71,038	23,644
Deferred financing fees (Note 5)	-	688,839
Deferred costs on conversion of royalty option (Note 10)	-	151,037
Prepaid expenses	226,126	41,691
	12,813,371	2,263,119
Deposits	53,191	36,976
Property, plant and equipment (Note 6)	6,226,709	6,371,852
Exploration and evaluation assets (Note 7)	9,723,159	9,507,859
	$ 28,816,430	$ 18,179,806
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 594,062	$ 947,124
Lease liability (Note 8)	4,339	20,389
	598,401	967,513
Lease liability (Note 8)	3,800	-
Debt (Note 9)	-	5,993,803
Royalty option (Note 9)	-	2,886,514
NSR liability (Note 10)	8,419,876	-
	9,022,077	9,847,830
SHAREHOLDERS' EQUITY		
Capital stock (Note 11)	53,849,099	40,737,065
Share subscriptions received in advance (Note 11)	-	189,902
Capital contribution	2,007,665	2,007,665
Share-based payment reserve (Note 11)	898,008	846,212
Foreign currency translation reserve	28,526	239,028
Deficit	(36,988,945)	(35,687,896)
	19,794,353	8,331,976
	$ 28,816,430	$ 18,179,806

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 11)
Subsequent Events (Note 17)

Approved and authorized on behalf of the Board on June 23, 2021:

"Patrick Anderson" Director *"Richard Williams"* Director

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

CORNISH METALS INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended April 30, 2021	Three months ended April 30, 2020
EXPENSES		
Accretion (Note 9)	$ 15,764	$ 60,380
Advertising and promotion	52,925	49,874
Depreciation (Note 6)	22,109	22,388
Finance cost (Note 8)	3,895	4,545
Insurance	21,784	19,545
Office, miscellaneous and rent (Notes 8 and 14)	21,883	11,159
Professional fees (Note 14)	412,674	49,939
Regulatory and filing fees	68,883	8,379
Share-based compensation (Notes 11 and 14)	51,796	-
Salaries, directors' fees and benefits (Note 14)	222,836	175,759
Total operating expenses	(894,549)	(401,968)
Interest income	192	3,259
Foreign exchange loss	(406,692)	(184)
Loss for the period	(1,301,049)	(398,893)
Foreign currency translation	(210,502)	34,435
Total comprehensive loss for the period	$ (1,511,551)	$ (364,458)
Basic and diluted loss per share	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding:	248,501,072	132,773,030

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

CORNISH METALS INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the three months ended April 30, 2021	April 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,301,049)	$ (398,893)
Items not involving cash:		
Accretion	15,764	60,380
Depreciation	22,109	22,388
Share-based compensation	51,796	-
Finance cost	3,895	4,545
Foreign exchange loss	406,692	184
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(47,393)	1,858
Decrease (increase) in prepaid expenses	(54,245)	24,316
Decrease in accounts payable and accrued liabilities	(6,550)	(5,851)
Net cash used in operating activities	(908,981)	(291,073)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(75,671)	(315,165)
Acquisition of exploration and evaluation assets	(670,970)	(210,821)
Increase in deposits	(16,215)	(61)
Net cash used in investing activities	(762,856)	(526,047)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from AIM listing	14,244,206	-
Proceeds from private placement financing	-	1,177,500
Proceeds from warrant exercises	184,750	-
Share issue costs	(1,066,126)	(33,971)
Conversion of royalty option costs	(111,730)	-
Lease payments	(24,284)	(24,194)
Net cash provided by financing activities	13,226,816	1,119,335
Impact on foreign exchange on cash	(396,680)	1,550
Change in cash during the period	11,158,299	303,765
Cash, beginning of the period	353,601	1,305,253
Cash, end of the period	$ 11,511,900	$ 1,609,018
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 15)

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

CORNISH METALS INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THREE MONTHS ENDED APRIL 30
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of shares	Amount	Share subscriptions received in advance	Capital contribution	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance at January 31, 2020	86,768,585	$ 37,271,686	$ 1,175,000	$ 2,007,665	$ 732,930	$ 149,996	$ (34,280,418)	$ 7,056,859
Share issuance pursuant to private placement financing	47,050,000	2,352,500	(1,175,000)	-	-	-	-	1,177,500
Share issue costs	-	(21,621)	-	-	-	-	-	(21,621)
Forfeiture of stock options	-	-	-	-	(28,449)	-	28,449	-
Foreign currency translation	-	-	-	-	-	34,435	-	34,435
Loss for the period	-	-	-	-	-	-	(398,893)	(398,893)
Balance at April 30, 2020	**133,818,585**	**$ 39,602,565**	**$ -**	**$ 2,007,665**	**$ 704,481**	**$ 184,431**	**$ (34,650,862)**	**$ 7,848,280**
Balance at January 31, 2021	149,918,585	$ 40,737,065	$ 189,902	$ 2,007,665	$ 846,212	$ 239,028	$ (35,687,896)	$ 8,331,976
Share issuance pursuant to AIM listing	117,226,572	14,434,108	(189,902)	-	-	-	-	14,244,206
Share issue costs	-	(1,506,824)	-	-	-	-	-	(1,506,824)
Warrant exercises	2,275,000	184,750	-	-	-	-	-	184,750
Share-based compensation	-	-	-	-	51,796	-	-	51,796
Foreign currency translation	-	-	-	-	-	(210,502)	-	(210,502)
Loss for the period	-	-	-	-	-	-	(1,301,049)	(1,301,049)
Balance at April 30, 2021	**269,420,157**	**$ 53,849,099**	**$ -**	**$ 2,007,665**	**$ 898,008**	**$ 28,526**	**$ (36,988,945)**	**$ 19,794,353**

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN ASSUMPTION

Cornish Metals Inc. (the "Company" or "Cornish Metals") exists under the laws of the *Canada Business Corporations Act* ("CBCA").

The Company trades on the TSX Venture Exchange ("TSX-V") and the AIM market of the London Stock Exchange Plc ("AIM") (TSX-V/AIM – CUSN). The Company's registered office is located at Suite 960 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2. The Company has two wholly-owned subsidiaries: Strongbow Alaska, Inc. which is incorporated under the laws of Alaska, USA and Cornish Metals Limited ("CML"), which is incorporated under the laws of the United Kingdom.

The Company's principal business activity is the acquisition, exploration and future development of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its exploration and evaluation assets and upon future profitable production.

These consolidated condensed interim financial statements 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 exploration and evaluation assets 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. These consolidated condensed interim 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.

As at April 30, 2021, the Company had current assets of $12,813,371 to settle current liabilities of $598,401. Although the Company has positive working capital of $12,214,970 as at April 30, 2021, the Company may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms. Failure to obtain additional financing when required may result in the loss of some, or all, of the Company's exploration and evaluation assets (Note 7).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended January 31, 2021. These consolidated condensed interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended January 31, 2021 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated condensed interim financial statements are based on IFRS issued and outstanding as of June 23, 2021, the date the Board of Directors approved the statements.

2. SIGNIFICANT ACCOUNTING POLICIES - *Continued*

b) Basis of presentation

These consolidated condensed interim financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, the currency of the primary economic environment in which it operates. These consolidated condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as *financial instruments at fair value through profit and loss*, which are stated at their fair value. In addition, these consolidated condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) New standards not yet adopted

The Company has not applied the following revised IFRS that has been issued but was not yet effective at January 31, 2021. The accounting standard is not currently expected to have a significant effect on the Company's accounting policies or financial statements.

- IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use* (effective January 1, 2022). The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, lease liabilities, debt and NSR liability. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity and have been classified at amortized cost. Cash has been classified at fair value through profit and loss ("FVTPL") and is recorded at fair value consistent with level 1 of the fair value hierarchy. Marketable securities which are publicly traded, have been classified at FVTPL and are recorded at fair value based on the quoted market prices in active markets at the period end, which is consistent with level 1 of the fair value hierarchy; marketable securities that are not publicly traded are recorded at fair value using estimates consistent with level 3 of the fair value hierarchy (inputs are not based on observable market data). Lease liabilities, debt and the NSR liability are initially recorded at fair value and subsequently carried at amortized cost.

The Company is exposed to a variety of financial risks by virtue of its activities, including liquidity risk, credit risk, foreign currency risk, interest rate risk, equity market risk and commodity price risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance and position. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings and asset sales, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration, future development and corporate activities and anticipating investing and financing activities. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Company's properties, and could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM. As at April 30, 2021, the Company had current assets of $12,813,371 to settle current liabilities of $598,401.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - *Continued*

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at the reporting date 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.

Foreign currency risk

The Company has its most significant exposure to foreign currency risk through expenditures incurred on its exploration and evaluation assets and property, plant and equipment in the United Kingdom. Most of the Company's expenditure incurred on its exploration and evaluation assets, and property, plant and equipment 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 Cornwall, UK.

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, which are classified as FVTPL. 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.

(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES

The Company holds common shares in one TSX-V listed company (January 31, 2021 – one TSX-V listed company) and in two private mineral exploration companies (January 31, 2021 – two private mineral exploration companies).

				April 30, 2021				January 31, 2021
		Cost		**Fair market value**		Cost		Fair market value
Public company shares	**$**	**4,000**	**$**	**3,300**	$	4,000	$	3,300
Private company shares		**346,014**		**1,001,007**		346,014		1,001,007
	$	**350,014**	**$**	**1,004,307**	$	350,014	$	1,004,307

During the three months ended April 30, 2021 and 2020, the Company recorded an unrealized gain/loss of $Nil associated with the change in fair value of marketable securities.

5. DEFERRED FINANCING FEES

Deferred financing fees of $Nil (January 31, 2021 - $688,839) consisted primarily of legal, accounting and related professional fees incurred in connection with the 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.

Total share issue costs arising from this transaction amounted to $1,506,824, which included the $688,839 of deferred costs as of January 31, 2021, and have been applied against the gross proceeds raised from the listing.

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer equipment	Software	Furniture & fixtures	Land & site	Motor vehicles	Right-of-use assets	Water treatment plant* (in progress)	Equipment	Total
As at January 31, 2021	$ 55,070	$ 47,686	$ 28,072	$1,842,215	$ 19,260	$ 180,483	$ 4,456,781	$ 296,928	$ 6,926,495
Additions	-	-	-	-	-	13,075	-	-	13,075
Capitalized borrowing costs	-	-	-	6,704	-	-	21,059	-	27,763
Foreign currency translation	(1,223)	(899)	(886)	(45,613)	(625)	(326)	(105,794)	(9,022)	(164,388)
As at April 30, 2021	**$ 53,847**	**$ 46,787**	**$ 27,186**	**$1,803,306**	**$ 18,635**	**$ 193,232**	**$ 4,372,046**	**$ 287,906**	**$ 6,802,945**
Accumulated depreciation									
As at January 31, 2021	$ (48,290)	$(42,636)	$ (11,918)	$ -	$ (19,260)	$(160,429)	$ -	$ (272,110)	$ (554,643)
Depreciation	(848)	(1,207)	-	-	-	(20,054)	-	-	(22,109)
Capitalized depreciation	(1,031)	-	(569)	-	-	(545)	-	(8,908)	(11,053)
Foreign currency translation	1,129	899	410	-	625	14	-	8,492	11,569
As at April 30, 2021	**$ (49,040)**	**$ (42,944)**	**$ (12,077)**	**$ -**	**$ (18,635)**	$ (181,014)	$ -	**$ (272,526)**	**$ (576,236)**
Net book value									
As at January 31, 2021	$ 6,780	$ 5,050	$ 16,154	$1,842,215	$ -	$ 20,054	$ 4,456,781	$ 24,818	$ 6,371,852
As at April 30, 2021	**$ 4,807**	**$ 3,843**	**$ 15,109**	**$1,803,306**	**$ -**	**$ 12,218**	**$ 4,372,046**	**$ 15,380**	**$ 6,226,709**

*The water treatment plant (in progress) is currently not depreciated. Depreciation will commence once the asset is complete and available for its intended use.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	January 31, 2021	Expended during the period	**April 30, 2021**
Cornwall Mineral Properties, UK			
Exploration costs	$ 1,951,157	$ 279,208	**$ 2,230,365**
Tenure and utility costs	1,009,792	56,671	**1,066,463**
Office and remuneration costs	3,261,128	169,178	**3,430,306**
Capitalized depreciation	398,328	11,053	**409,381**
Asset acquisition	3,023,374	-	**3,023,374**
Recovery of costs	(320,695)	-	**(320,695)**
Foreign currency translation	184,775	(300,810)	**(116,035)**
	$ 9,507,859	$ 215,300	**$ 9,723,159**

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.

a) Cornwall Mineral Properties, UK

On March 16, 2016, the Company entered into a Share Purchase Agreement ("SPA") with Galena Special Situations Fund ("Galena") and Tin Shield Production Ltd. ("Tin Shield") (collectively, the "Sellers"). Under the terms of this SPA, on July 11, 2016, the Company acquired, from administration, a 100% interest in the South Crofty Tin Project and associated mineral rights in Cornwall, UK (collectively the "Cornwall Mineral Properties"). The Company, through its wholly-owned subsidiary, CML, owns a 100% interest in South Crofty Limited and Cornish Minerals Limited (Bermuda) ("CMLB") (collectively the "Companies"). The Companies hold the rights to the South Crofty underground mine permission area, plus additional mineral rights located in various parts of Cornwall, UK.

7. EXPLORATION AND EVALUATION ASSETS – *Continued*

a) Cornwall Mineral Properties, UK - *Continued*

In addition to the cash and common share consideration of $1,853,374 paid on July 11, 2016, the Company agreed to the following additional payments and share issuances under the terms of the SPA:

- Cornish Metals to make a $2,000,000 payment to the Sellers on the second anniversary of the approval vote by creditors for South Crofty's exit from administration (date set at June 10, 2018). During the year ended January 31, 2019, Cornish Metals issued 8,546,604 shares in satisfaction of this commitment.
- Cornish Metals to issue 1,000,000 common shares to the Sellers upon receipt of a permit to increase water discharge from the old mine workings from 10,000m^3 per day to 25,000m^3 per day (issued November 1, 2017 at a value of $180,000).
- Cornish Metals to issue 2,000,000 common shares to the Sellers on delivery of a positive feasibility study or commencement of commercial production, whichever occurs first.
- Cornish Metals to make a cash and / or common share payment to the Sellers equal to 25% of the Net Present Value ("NPV") of the project upon making a decision to go into production. In the event that Cornish Metals's market capitalization is less than the NPV of the project when a production decision is made, Cornish Metals will pay the equivalent of 25% of its market value to the Sellers and the balance (between the 25% of market value and 25% of the NPV of the project) will be paid out as a 5% Net Profits Interest from production.
- In the event that Cornish Metals transfers any assets, rights, or entitlements to certain mineral rights which are not part of the core mineral rights (the "Other Mineral Rights") to a third party before the agreed consideration has been paid to the Sellers, then the Sellers will be entitled to receive a payment equal to 10% of any consideration received for the Other Mineral Rights, to a maximum of $1,000,000.

b) Cornish Lithium exploration option agreement

In January 2017, CML and Cornish Lithium Limited ("CLL"), a private UK company, entered into an exploration option agreement whereby CLL has the right to explore for, and potentially develop, lithium in hot springs brines and associated geothermal energy from the Company's mineral rights in Cornwall, UK. The Company will have a 25% free carried interest in the first project to have a bankable feasibility study completed on it, after which the Company will be required to contribute its share of development costs or be diluted. The Company will have a 10% free carried interest on subsequent development projects as well as a 2% gross revenue royalty payable from the production of metals from brines or from any geothermal energy produced and sold by CLL.

Under the terms of the agreement, CLL agreed to issue common shares with a value US$50,000 concurrently with its first financing (received – August 2017) and, to keep the agreement in good standing, to issue common shares with a value of US$50,000 on the first, second, third and fourth anniversary of the agreement. From the fifth anniversary date of the agreement, CLL will make annual payments of US$100,000, in cash or common shares of CLL, at its election. From the tenth anniversary date of the agreement, CLL will make annual payments of US$500,000 in cash or common shares of CLL, at its election, of which 50% of the payment will be considered an advance royalty payment.

(Expressed in Canadian dollars)

8. LEASE LIABILITY

		Three months ended April 30, 2021		Year ended January 31, 2021
Opening balance	**$**	**20,389**	$	98,908
Lease modification and remeasurement		**-**		102
Addition		**8,139**		-
Lease payments		**(24,284)**		(88,338)
Amortization of discount		**3,895**		9,717
Ending balance	**$**	**8,139**	$	20,389

The following table is a summary of the carrying amounts of the Company's lease liabilities that are recognized in the consolidated statement of financial position as of:

		April 30, 2021		January 31, 2021
Current portion of lease obligation	**$**	**4,339**	$	20,389
Long-term portion of lease obligation		**3,800**		-
Ending balance	**$**	**8,139**	$	20,389

The table below analyzes the Company's lease liabilities into relevant contractual maturity date groupings based on the remaining period at the reporting date to the contractual maturity date of the lease. The amounts shown in the table below are the contractual undiscounted cash flows related to lease liabilities.

	1 year or less	1-2 years	Total contractual cash flows	Carrying amount
Total contractual obligations	$ 4,610	$ 4,226	$ 8,836	$ 8,139

During the three months ended April 30, 2021, the Company recognized a right-of-use asset and a lease liability relating to a motor vehicle used in Cornwall, UK. The lease liability was initially measured at the present value of the lease payments, discounted using the Company's estimated incremental borrowing rate of 5%, rather than the interest rate implicit in the lease, as that rate could not be readily determined.

During the three months ended April 30, 2021, the Company continued its sub-lease agreements with two tenants within its office located in Vancouver, Canada. Both sub-lease agreements have been treated as operating leases in accordance with IFRS 16. Income arising under these sub-lease agreements during the three months ended April 30, 2021 was $3,600 (April 30, 2020 - $11,950) and has been recognized in profit or loss. With the closure of the Company's office in Vancouver on April 30, 2021, the sub-lease agreements had been terminated by this date.

(Expressed in Canadian dollars)

9. DEBT AND ROYALTY OPTION

		Three months ended April 30, 2021		Year ended January 31, 2021
Opening balance	**$**	**5,993,803**	$	5,210,765
Accretion – charged to profit or loss		**15,764**		292,076
Accretion – capitalized to property, plant and equipment		**27,763**		490,962
Conversion to NSR liability (Note 10)		**(6,037,330)**		-
Ending balance	**$**	**-**	$	5,993,803

On January 26, 2018, the Company completed a secured convertible note financing (the "Note") with Osisko Gold Royalties Ltd. ("Osisko"), a significant shareholder of the Company at that date, for gross proceeds of $7,170,000. The Note was convertible into a 1.5% net smelter royalty ("NSR") on all metals and minerals produced from the South Crofty Tin Project (the "Osisko NSR"). The Note was secured by a first-ranking lien on all of the assets of the Company and its subsidiaries. If an event of default occurred under either the Note or the Osisko NSR, Osisko had the right to realize upon its security and become the owner of all of the Company's assets.

Osisko could not make a demand on the Note until the commencement of commercial production at the South Crofty Tin Project (or otherwise upon the occurrence of an event of default). No interest was to be payable on the principal amount outstanding under the Note until December 31, 2021 (or otherwise on the occurrence of an event of default), after which time interest would accrue at an annual rate of 10%. If commercial production was not achieved at the South Crofty Tin Project by December 31, 2025, all amounts owing under the Note would become due and payable.

Concurrently with this transaction, the Company and Osisko entered into a governance and financing agreement containing, among other things, the grant to Osisko of an option to purchase the Osisko NSR in exchange for the Note (the "Royalty Option"). If, as and when Osisko exercised the Royalty Option, the Company and its affiliates would enter into a royalty agreement with Osisko, and the Company's performance and payment obligations would continue to be secured by the first ranking lien of Osisko. Once the Company had made royalty payments in excess of US$7.5 million, the scope of the first ranking liens would be reduced.

The Company received gross proceeds of $7,170,000 from the sale of the Note, which was recorded at a fair value of $4,283,486 using a 14% discount rate. The carrying value of the debt, net of transaction costs totalling $366,054 ($3,917,432), was to be accreted up to the debt's face value over the estimated term of the debt. The difference between the gross proceeds received and the fair value recorded for the Note was recorded as a Royalty Option. The Royalty Option was a non-financial liability that was recorded at a cost of $2,886,514; transaction costs of $246,673 allocated to the Royalty Option on a pro-rata basis were expensed in professional fees in the year ended January 31, 2018.

On February 19, 2021, Osisko exercised the Royalty Option and the Note was converted into certain royalties over the Cornwall Mineral Properties (Note 10).

(Expressed in Canadian dollars)

10. NSR LIABILITY

		Three months ended April 30, 2021		Year ended January 31, 2021
Opening balance	$	-	$	-
Conversion of debt into NSR liability (Note 9)		6,037,330		-
Conversion of Royalty Option into NSR liability (Note 9)		2,886,514		-
Transaction costs		(275,465)		-
Foreign currency translation		(228,503)		-
Ending balance	$	8,419,876	$	-

On February 19, 2021, Osisko exercised the Royalty Option (Note 9) and converted its Note into two royalties as follows:

- a perpetual 1.5% NSR on the South Crofty Tin Project; and
- a perpetual 0.5% NSR on any other mineral rights held by the Company in Cornwall, UK that do not form part of the South Crofty Tin Project (together, the "Royalty Agreements").

Both royalties become payable from the commencement of production which is defined in the Royalty Agreements. The royalties are payable on all products which include any and all metals, minerals and products or by-products thereof.

In connection with the conversion of the Note, Osisko agreed to release the comprehensive security package entered into by the Company pursuant to the Note, described more fully in Note 9, and has instead agreed to a more simplified and reduced security package for the Royalty Agreements. The reduced security package is restricted to the Company's subsidiary, CMLB, which holds the Company's mineral rights in Cornwall, UK, and a share charge over CML's holding in CMLB. Liquidated damages also become payable to Osisko in the event of default.

The NSR liability was initially recorded at fair value at the date of conversion of the Note, net of transaction costs. The fair value has been determined to be the amortized cost of the Note at the date of conversion ($6,037,330) and the carrying value of the Royalty Option ($2,886,514). Costs of $275,465 were incurred in respect of the transaction, resulting in an initial carrying value of the NSR liability of $8,648,379.

(Expressed in Canadian dollars)

11. CAPITAL AND RESERVES

Authorized share capital

At April 30, 2021, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances

Three months ended April 30, 2021

On February 16, 2021, the Company completed its listing and concurrent financing on AIM issuing 117,226,572 common shares at a price of £0.07 ($0.12) raising gross proceeds of £8,205,860 ($14,434,108 based on February 12, 2021 closing exchange rate), of which $189,902 had been received in advance by January 31, 2021. Total share issue costs amounted to $1,506,824 resulting in net proceeds of $12,927,284. Of the share issue costs, $688,839 had been incurred during the year ended January 31, 2021 (Note 5).

Three months ended April 30, 2020

On February 3, 2020, the Company closed a private placement financing through issuance of 47,050,000 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $2,352,500, of which $1,175,000 was received as at January 31, 2020. 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, purchased a total of 20,000,000 Units. Net proceeds from the financing amounted to $2,302,323.

Stock options and warrants

As at April 30, 2021, the following stock options and warrants were outstanding and exercisable:

	Outstanding		Exercise price	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	4,122,222	$	0.10	4,122,222	November 9, 2022
	6,250,000		0.07	6,250,000	February 3, 2023

Stock options

The Company has a "10% rolling" stock option plan (the "Plan"). The maximum aggregate number of common shares issuable pursuant to options awarded under the stock option plan and outstanding from time to time may not exceed 10% of the issued and outstanding common shares from time to time.

Under the terms of the Plan, options will be exercisable over periods of up to five years as determined by the Board of Directors and must have an exercise price not less than the closing market price of the Company's shares prevailing on the day that the option is granted. Under the Plan, the Board of Directors may from time to time authorize the grant of options to directors, officers, employees and consultants of the Company and its subsidiaries, or employees of companies providing management or consulting services to the Company or its subsidiaries.

The Plan provides that the directors have the discretion to impose vesting of options and that, unless otherwise specified by the directors, vesting will occur generally as to 20% on the grant date and 20% every three months thereafter, becoming fully vested one-year from the date of grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

(Expressed in Canadian dollars)

11. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

Stock options

Stock option transactions for the three months ended April 30, 2021 are summarized as follows:

	Number of options	Weighted average exercise price
Balance, April 30, 2021 and January 31, 2021	**9,130,000**	**$ 0.13**
Number of options exercisable as at April 30, 2021	**7,070,000**	**$ 0.14**

Warrants

Warrant transactions for the three months ended April 30, 2021 are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2021	12,647,222	0.08
Exercised	(2,275,000)	0.08
Balance, April 30, 2021	**10,372,222**	**$ 0.08**

During the year ended January 31, 2021, 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. 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, and accordingly, under the terms of the Incentive Program, 5,222,222 Incentive Warrants were issued.

During the three months ended April 30, 2021, 2,275,000 warrants were exercised, of which 1,425,000 were Warrant Shares and 850,000 were Incentive Warrants, resulting in total proceeds of $184,750.

Share-based compensation

During the three months ended April 30, 2021 and 2020, the Company granted no stock options.

During the three months ended April 30, 2021, the Company recorded $51,796 (April 30, 2020 - $Nil) in share-based compensation expense.

12. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in capital and reserves as set out in the consolidated statement of financial position. The Company manages its capital structure based on the nature and availability of funding, and the timing of expected or committed expenditures. The Company's capital management policy is to maintain sufficient capital to support the acquisition, exploration and future development of its exploration and evaluation assets and to provide sufficient funds for its corporate activities.

The Company's exploration and evaluation assets are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings and asset sales, or a combination thereof, to finance its activities. The Company forecasts its future capital requirements by planning the exploration and future development activities to be undertaken on its exploration and evaluation assets, and assessing the level of corporate activities that are necessary to support the growth and development of the Company.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period.

13. 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 $250,000. 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 $85,000 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.

(Expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the three months ended April 30, 2021 and 2020:

a) Paid $1,639 to North Arrow Minerals Inc., a company with two common directors, for office space and administrative services (April 30, 2020 - $1,950), of which $Nil was included in accounts payable and accrued liabilities (January 31, 2021 - $Nil); and

b) Received $4,538 from Winshear Gold Corp., a company with a common director, relating to an apportionment of rent and similar expenditures for the Vancouver office (April 30, 2020 - $4,506), of which $1,221 was included in receivables (January 31, 2021 - $1,919).

Transactions with related parties concluded in current and previous periods are disclosed in Notes 9, 10 and 11 of these consolidated condensed interim financial statements.

Key management includes the Company's directors and officers. Compensation awarded to key management was as follows:

	Three months ended	
	April 30, 2021	April 30, 2020
Salaries and benefits[1]	**$ 156,618**	$ 141,974
Directors' fees	**22,589**	-
Share-based compensation	**51,796**	-
Total	**$ 231,003**	$ 141,974

[1] Allocated $153,868 (April 30, 2020 - $141,324) to salaries and benefits and $2,750 (April 30, 2020 - $650) to professional fees.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three months ended April 30, 2021 the significant non-cash transactions were:

a) Included in exploration and evaluation assets are capitalized depreciation of $11,053, prepaid expenses of $121,536 and $196,191 which relates to accounts payable and accrued liabilities;

b) Included in property, plant and equipment are capitalized borrowing costs of $27,763 and $4,610 which relates to accounts payable and accrued liabilities;

c) Included in transaction costs relating to the conversion of the Royalty Option is $114,561 which relates to accounts payable and accrued liabilities; and

d) Included in share issue costs in $96,487 which relates to accounts payable and accrued liabilities.

During the three months ended April 30, 2020 the significant non-cash transactions were:

a) Included in exploration and evaluation assets are capitalized depreciation of $13,426, prepaid expenses of $9,701 and $49,609 which relates to accounts payable and accrued liabilities; and

b) Included in property, plant and equipment are capitalized borrowing costs of $122,740 and $59,768 which relates to accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

16. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and evaluation of mineral properties in North America and the United Kingdom as follows:

	As at April 30, 2021			As at January 31, 2021		
	Canada	**United Kingdom**	**Total**	Canada	United Kingdom	Total
Deposits	$ 10,964	$ 42,227	**$ 53,191**	$ 10,964	$ 26,012	$ 36,976
Property, plant and equipment	5,821	6,220,888	**6,226,709**	27,930	6,343,922	6,371,852
Exploration and evaluation assets	-	9,723,159	**9,723,159**	-	9,507,859	9,507,859

17. SUBSEQUENT EVENTS

a) Warrant exercises

As at June 23, 2021, 300,000 warrants had been exercised with an average exercise price of $0.07 for proceeds of $21,000.

b) Share option exercises

As at June 23, 2021, 200,000 options had been exercised with an average exercise price of $0.15 for proceeds of $30,000.