CORNISH METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cornish Metals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Cornish Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has sustained substantial losses from operations since inception, has no current source of revenue and is dependent on its ability to obtain additional financing and generate profitable operations in the future. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

May 17, 2022

CORNISH METALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at January 31
(Expressed in Canadian dollars)

		2022		2021
ASSETS				
Current				
Cash	$	6,922,704	$	353,601
Marketable securities (Note 5)		1,574,506		1,004,307
Receivables (Notes 6 and 19)		107,230		23,644
Deferred financing fees (Note 7)		-		688,839
Deferred costs on conversion of royalty option		-		151,037
Prepaid expenses		231,933		41,691
		8,836,373		2,263,119
Deposits		42,448		36,976
Property, plant and equipment (Note 8)		6,437,175		6,371,852
Exploration and evaluation assets (Note 9)		20,772,029		9,507,859
	$	36,088,025	$	18,179,806
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 10)	$	613,178	$	947,124
Lease liability (Note 11)		4,204		20,389
Commitment to issue shares (Note 12)		6,041,525		-
		6,658,907		967,513
Lease liability (Note 11)		667		-
Debt (Note 13)		-		5,993,803
Royalty option (Note 13)		-		2,886,514
NSR liability (Note 14)		8,717,330		-
		15,376,904		9,847,830
SHAREHOLDERS' EQUITY				
Capital stock (Note 15)		56,846,350		40,737,065
Share subscriptions received in advance (Note 15)		-		189,902
Capital contribution		2,007,665		2,007,665
Share-based payment reserve (Note 15)		630,265		846,212
Foreign currency translation reserve		(174,123)		239,028
Deficit		(38,599,036)		(35,687,896)
		20,711,121		8,331,976
	$	36,088,025	$	18,179,806

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 18)
Subsequent Events (Note 23)

Approved and authorized on behalf of the Board on May 17, 2022:

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

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

CORNISH METALS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	2022	2021
EXPENSES		
Accretion (Note 13)	$ 15,764	$ 292,076
Advertising and promotion	372,910	134,790
Depreciation (Note 8)	25,507	87,034
Finance cost (Note 11)	3,895	9,717
Insurance	95,918	79,270
Office, miscellaneous and rent (Notes 11 and 19)	81,533	36,708
Professional fees (Note 20)	1,027,481	305,633
Generative exploration costs	37,047	3,970
Regulatory and filing fees	129,633	30,567
Share-based compensation (Notes 15 and 20)	80,554	304,204
Salaries, directors' fees and benefits (Note 20)	1,137,506	702,758
Total operating expenses	(3,007,748)	(1,986,727)
Interest income	1,099	4,537
Foreign exchange loss	(346,883)	(8,007)
Loss on disposal of property, plant and equipment (Note 8)	(3,074)	-
Unrealized gain on marketable securities (Note 5)	445,703	391,797
Realized loss on marketable securities (Note 5)	(237)	-
Loss for the year	(2,911,140)	(1,598,400)
Foreign currency translation	(413,151)	89,032
Total comprehensive loss for the year	$ (3,324,291)	$ (1,509,368)
Basic and diluted loss per share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding:	267,601,284	135,320,393

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

CORNISH METALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,911,140)	$ (1,598,400)
Items not involving cash:		
Accretion	15,764	292,076
Depreciation	25,507	87,034
Share-based compensation	80,554	304,204
Finance cost	3,895	9,717
Realized loss on marketable securities	237	-
Unrealized gain on marketable securities	(445,703)	(391,797)
Loss on disposal of property, plant and equipment	3,074	-
Foreign exchange loss	346,883	-
Changes in non-cash working capital items:		
Increase in receivables	(83,586)	(116)
(Increase) decrease in prepaid expenses	(137,354)	21,470
Increase in accounts payable and accrued liabilities	16,007	11,244
Net cash used in operating activities	(3,085,862)	(1,264,568)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(303,071)	(315,779)
Acquisition of exploration and evaluation assets	(3,683,498)	(1,330,906)
Proceeds from the sale of marketable securities, net	3,063	-
Increase in deposits	(5,472)	-
Net cash used in investing activities	(3,988,978)	(1,646,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from AIM listing	14,244,206	-
Proceeds from private placement financing	-	1,177,500
Proceeds from fundraising received in advance of share issue	-	189,902
Proceeds from option and warrant exercises	1,135,500	1,134,500
Share issue costs	(1,162,613)	(49,427)
Increase in deferred financing fees	-	(344,211)
Conversion of royalty option costs	(226,290)	(49,174)
Lease payments	(27,760)	(88,338)
Net cash provided by financing activities	13,963,043	1,970,752
Impact of foreign exchange on cash	(319,100)	(11,151)
Change in cash during the year	6,569,103	(951,652)
Cash, beginning of the year	353,601	1,305,253
Cash, end of the year	$ 6,922,704	$ 353,601
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 21)

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

CORNISH METALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	Number of shares	**Capital stock**	**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
Foreign currency translation	-	-	-	-	-	89,032	-	89,032
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)
Commitment to issue shares pursuant to AIM listing	-	-	189,902	-	-	-	-	189,902
Warrant exercises	16,100,000	1,134,500	-	-	-	-	-	1,134,500
Forfeiture and expiry of stock options and warrants	-	-	-	-	(190,922)	-	190,922	-
Share-based compensation	-	-	-	-	304,204	-	-	304,204
Loss for the year	-	-	-	-	-	-	(1,598,400)	(1,598,400)
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**
Foreign currency translation	-	-	-	-	-	(413,151)	-	(413,151)
Share issuance pursuant to AIM listing	117,226,572	14,434,108	(189,902)	-	-	-	-	14,244,206
Shares issued pursuant to property option agreement (Note 9)	7,000,000	1,750,000	-	-	-	-	-	1,750,000
Share issue costs	-	(1,506,824)	-	-	-	-	-	(1,506,824)
Warrant exercises	9,125,000	725,750	-	-	-	-	-	725,750
Option exercises	2,580,000	706,251	-	-	(296,501)	-	-	409,750
Share-based compensation	-	-	-	-	80,554	-	-	80,554
Loss for the year	-	-	-	-	-	-	(2,911,140)	(2,911,140)
Balance at January 31, 2022	**285,850,157**	**$ 56,846,350**	**$ -**	**$ 2,007,665**	**$ 630,265**	**$ (174,123)**	**$ (38,599,036)**	**$ 20,711,121**

The accompanying notes are an integral part of these consolidated 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 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 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 January 31, 2022, the Company had current assets of $8,836,373 to settle current liabilities of $6,658,907. Although the Company has positive working capital of $2,177,466 as at January 31, 2022, 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 9).

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in these consolidated financial statements are based on IFRS as of January 31, 2022.

The consolidated financial statements were approved by the Board of Directors on May 17, 2022.

b) New standards not yet adopted

The Company has not applied the following revised IFRS that has been issued but was not yet effective for the Company at January 31, 2022. The accounting standard is not currently expected to have a significant effect on the Company's accounting policies or financial statements.

2. BASIS OF PRESENTATION - *Continued*

b) New standards not yet adopted - *Continued*

- IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use* (effective for fiscal periods beginning on or after 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. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management judgment and estimates include:

(i) Exploration and evaluation assets – recorded costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

(ii) Impairment - management applies significant judgment in assessing each cash-generating unit and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by management and compared, when applicable, to relevant market consensus views.

(iii) Valuation of debt and royalty option - the Company issued a convertible note which was convertible into a 1.5% net smelter return royalty ("NSR") on all metals and minerals produced from the Company's South Crofty Tin Project. The Company bifurcated the convertible note into debt and a royalty option with the debt portion being the more easily measured value. The debt portion was initially recorded at its fair value using a 14% discount rate based on an estimated number of years to reach mine production. The debt was then accreted over this estimated term. The remaining balance of the convertible note was attributed to the royalty option. The Company determined that the royalty option was a non-financial liability. The convertible note was converted into certain royalties triggering the recognition of the NSR liability during the year ended January 31, 2022.

(iv) Valuation of NSR liability – the convertible note, as above, was converted into certain royalties over the Cornwall Mineral Properties. The NSR liability was initially recorded at fair value at the date of conversion, net of transaction costs. In the absence of either observable market data for similar financial instruments or economically recoverable ore reserves for the Cornwall Mineral Properties, judgment has been applied in assessing the initial fair value at the date of conversion. The most reliable assessment of fair value has been determined to be the amortized cost of the convertible note at the date of conversion and the carrying value of the royalty option.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

a) Significant accounting estimates and judgments - *Continued*

(v) Commitment to issue shares – the Company restructured the outstanding deferred consideration payable in respect of the acquisition of the Cornwall Mineral Properties. Pursuant to this restructuring, two new fixed payments are payable through the issuance of common shares as certain milestones are reached. Judgment has been applied in assessing whether the Side Letter as outlined in Note 9 meets the definition of a financial liability or equity, and also the criteria that trigger the crystallization of these milestone payments, including their recognition and valuation on the consolidated statement of financial position. This judgment is regularly reviewed by management in the context of the Company's ongoing results and future business plans.

(vi) Valuation of marketable securities (private shares) – shares which are not traded in an active market are adjusted at the period end to reflect management's estimated fair value. The most reliable indicator of fair value is the most recent third party sale/purchase transaction in the shares, but if this is not available, significant judgement is applied by management in estimating fair value which may involve subjective assessments of results, business plans and other developments of the investee company that are not based on observable market data.

(vii) Deferred financing fees - judgment is required to be exercised on the likely successful completion of equity financing to which deferred financing fees relate. These fees are carried at cost on the consolidated statement of financial position with the likelihood of the related equity financing being reviewed at the reporting date. If the related equity financing is unlikely to complete as contemplated, deferred financing fees are written off to profit or loss.

(viii) Share-based payments - the Company uses the Black-Scholes Option Pricing Model for the valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, expiry date, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net income/loss and share-based payment reserve.

(ix) Uncertainty of COVID-19 pandemic - The COVID-19 pandemic has disrupted the normal operations of many businesses, including the Company's. This outbreak could adversely affect and harm the Company's business and results of operations. It is not possible to predict the duration or magnitude of the adverse results of COVID-19 and its effects on the Company's business or results of operations at this time.

b) Principles of consolidation

These consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Strongbow Alaska, Inc.	Alaska, USA	100%	Exploration and development company
Cornish Metals Limited ("CML")	United Kingdom	100%	Holding company
South Crofty Limited ("SCL")	United Kingdom	100% subsidiary of CML	Exploration and development company
Cornish Minerals Limited (Bermuda) ("CMLB")	Bermuda	100% subsidiary of CML	Holding company for mineral leases

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company transactions and balances have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

c) Foreign currency translation

Presentational and functional currency

These consolidated financial statements are presented in Canadian dollars.

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which an entity operates (the "functional currency"). The functional currency of the Company is the Canadian dollar, British pound for its UK subsidiaries, and US dollar for Strongbow Alaska, Inc. and CMLB. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Translation of subsidiary results into the presentation currency

The results and financial position of all the Company's subsidiaries with functional currencies different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of income are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale of investment.

d) Share-based compensation

The Company grants share purchase options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model. The fair value of the share purchase options considers the terms and conditions upon which the share purchase options were granted. The fair value of the options granted is recognized as a share-based compensation expense with a corresponding increase in equity. The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest. The share-based payment reserve reflects the fair value of unexpired options outstanding at the period end.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

If vested options are forfeited, cancelled or are not exercised at the expiry date, the amount previously recognized in share-based compensation is transferred to deficit.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

e) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the period end, and adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The following temporary differences do not result in deferred tax assets or liabilities:
- the initial recognition of assets or liabilities that do not affect accounting or taxable profit; and
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

f) Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share.

g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment is comprised of its purchase price and any directly attributable costs in bringing the assets to their working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as an expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the assets beyond the originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is provided for annually at the following rates:

Computer equipment	3 years straight line
Software	3 years straight line
Furniture & fixtures	10 years straight line
Motor vehicles	4 years straight line
Equipment	5 years straight line
Right-of-use assets	the term of the lease

Land is not depreciated.

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

The remaining useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

g) Property, plant and equipment - *Continued*

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of property, plant and equipment are included in profit or loss in the period of retirement or disposal.

h) Exploration and evaluation assets

Exploration and evaluation assets are capitalized as tangible assets on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through development and exploitation, the capitalized expenditure is first tested for impairment, then transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment reviews for deferred exploration and evaluation assets are carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices render the project uneconomic; and
- Lack of available financing to progress the project.

Where the Company enters into exploration option agreements with third parties, the Company may acquire or dispose of mineral rights and certain benefits attached to those mineral rights. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets when payments are made, or as recoveries when payments are received, either against exploration and evaluation assets or as income within profit or loss depending on the nature of the option agreement.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to develop its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

i) Marketable securities

Marketable securities are measured at fair value and consist of shares in public companies listed on the TSX-V and common shares in private companies. Shares which are traded in an active market, such as the TSX-V, are measured at fair value based on quoted closing bid prices at the period end or the closing bid price on the last day the share traded if there were no trades at the period end. The fair value of shares which are not traded in an active market are originally recorded at cost and then adjusted at the period end to reflect management's estimated fair value. Indicators of fair value include recent third party sale/purchase transactions of shares as reported to the Company and the financial condition of the investee company reflecting operational and financial results, business plans and other developments.

j) Deferred financing fees

Legal fees, professional fees and other expenses related to equity financings are deferred until these financings close, at which time they will be offset against proceeds from the financing to which they relate. Should the financings not close as contemplated, these deferred financing fees will be expensed.

k) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the "probable economic benefits" test and are also rarely debt funded. Any related borrowing costs incurred during this phase are therefore generally recognized in profit or loss in the period they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

m) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbances are caused by the exploration or development of exploration and evaluation assets due to statutory, contractual, constructive or legal obligations. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises.

The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred.

n) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss ("FVTPL") or amortized cost. The classification depends on the purpose for which the financial assets were acquired. The classification of the Company's financial assets are determined at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. For trade receivables, the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

o) Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, lease liabilities, debt and NSR liability are classified and carried on the statement of financial position at amortized cost. The commitment to issue shares is classified as a derivative financial instrument as the Side Letter outlined in Note 9 is a non-derivative instrument for which the Company is obligated to deliver a variable number of shares. The commitment to issue shares is re-measured at the closing foreign exchange rate at the date of the statement of financial position.

p) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, lease liabilities and NSR liability. The carrying value of cash, 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. 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 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 January 31, 2022, the Company had current assets of $8,836,373 to settle current liabilities of $6,658,907.

4. 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.

For the year ended January 31, 2022, 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 $379,000.

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. 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)

5. MARKETABLE SECURITIES

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

	January 31, 2022		January 31, 2021	
	Cost	**Fair market value**	Cost	Fair market value
Public company shares	$ -	$ -	$ 4,000	$ 3,300
Private company shares	473,809	1,574,506	346,014	1,001,007
	$ 473,809	**$ 1,574,506**	$ 350,014	$ 1,004,307

During the year ended January 31, 2022, the Company received common shares of a private company at a value of $129,252 (2021 - $64,789) pursuant to an option agreement, which were recorded as a recovery against exploration and evaluation assets (Note 9).

During the year ended January 31, 2022, the Company received net proceeds of $3,063 (2021 - $Nil) and recognized a loss of $237 (2021 - $Nil) from the sale of marketable securities. These marketable securities comprised all of the Company's holding of common shares in a TSX-V listed company.

During the year ended January 31, 2022, the Company recorded an unrealized gain of $445,703 (2021 – $391,797) associated with the change in fair value of marketable securities.

6. RECEIVABLES

	January 31, 2022	January 31, 2021
VAT receivables	**$ 104,079**	$ 8,767
GST receivables	**2,385**	5,866
Related party receivables	**766**	1,919
Other receivables	**-**	7,092
Total	**$ 107,230**	$ 23,644

7. 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)

8. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer equipment	Software	Furniture & fixtures	Land & site	Motor vehicles	Right-of-use real estate	Water treatment plant* (in progress)	Equipment	Total
As at January 31, 2020	$ 51,562	$ 47,519	$ 27,907	$1,715,153	$ 19,143	$ 180,381	$ 4,048,089	$ 290,834	$ 6,380,588
Lease modification and remeasurement	-	-	-	-	-	102	-	-	102
Additions	3,240	-	-	-	-	-	16,359	4,357	23,956
Capitalized borrowing costs	-	-	-	118,557	-	-	372,405	-	490,962
Foreign currency translation	268	167	165	8,505	117	-	19,928	1,737	30,887
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	58,152	-	-	-	-	12,916	108,418	54,885	234,371
Disposals	(21,051)	-	-	-	(4,823)	(180,483)	-	(110,418)	(316,775)
Capitalized borrowing costs	-	-	-	6,704	-	-	21,059	-	27,763
Foreign currency translation	(1,395)	(748)	(737)	(37,968)	(483)	(100)	(88,906)	(7,078)	(137,415)
As at January 31, 2022	**$ 90,776**	**$ 46,938**	**$ 27,335**	**$1,810,951**	**$ 13,954**	**$ 12,816**	**$ 4,497,352**	**$ 234,317**	**$ 6,734,439**
Accumulated depreciation									
As at January 31, 2020	$ (31,806)	$ (37,641)	$ (9,567)	$ -	$ (17,008)	$ (82,458)	$ -	$ (235,381)	$ (413,861)
Depreciation	(4,236)	(4,827)	-	-	-	(77,971)	-	-	(87,034)
Capitalized depreciation	(11,894)	-	(2,249)	-	(2,109)	-	-	(34,752)	(51,004)
Foreign currency translation	(354)	(168)	(102)	-	(143)	-	-	(1,977)	(2,744)
As at January 31, 2021	(48,290)	(42,636)	(11,918)	-	(19,260)	(160,429)	-	(272,110)	(554,643)
Depreciation	(848)	(4,606)	-	-	-	(20,053)	-	-	(25,507)
Capitalized depreciation	(9,976)	-	(2,250)	-	-	(5,382)	-	(21,952)	(39,560)
Disposals	19,072	-	-	-	4,823	180,483	-	109,323	313,701
Foreign currency translation	920	748	348	-	483	42	-	6,204	8,745
As at January 31, 2022	**$ (39,122)**	**$ (46,494)**	**$ (13,820)**	**$ -**	**$ (13,954)**	**$ (5,339)**	**$ -**	**$ (178,535)**	**$ (297,264)**
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 January 31, 2022	**$ 51,654**	**$ 444**	**$ 13,515**	**$1,810,951**	**$ -**	**$ 7,477**	**$ 4,497,352**	**$ 55,782**	**$ 6,437,175**

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

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS

	January 31, 2021	Expended during the year	**January 31, 2022**
Cornwall Mineral Properties, UK			
Exploration costs	$ 1,951,157	$ 2,585,648	**$ 4,536,805**
Tenure and utility costs	1,009,792	282,463	**1,292,255**
Office and remuneration costs	3,261,128	940,613	**4,201,741**
Capitalized depreciation	398,328	39,560	**437,888**
Acquisition costs	3,023,374	7,875,002	**10,898,376**
Recovery of costs	(320,695)	(129,252)	**(449,947)**
Foreign currency translation	184,775	(329,864)	**(145,089)**
	$ 9,507,859	$ 11,264,170	**$ 20,772,029**

	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**
Acquisition costs	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.

a) Cornwall Mineral Properties, UK

On March 16, 2016, the Company entered into a Share Purchase Agreement ("SPA") with Galena Special Situations Fund and Tin Shield Production Ltd. (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, including those mineral rights at the United Downs property (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.

9. 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 (8,456,664 shares issued June 12, 2018, equivalent to $2,000,000 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 in satisfaction of this commitment).
- 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' 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.

On June 30, 2021, the Company and the Sellers entered into a side letter (the "Side Letter") to the SPA to restructure the outstanding deferred consideration payable to the Sellers. The outstanding fixed and variable payments that existed under the SPA (bullet points three and four above) have been replaced with fixed payments linked to pre-agreed project related milestones.

Pursuant to the Side Letter, the new fixed payments comprising the balance of the deferred consideration payable to the Sellers are as follows:

- Cornish Metals to issue 7,000,000 common shares to the Sellers ("Closing Shares") immediately upon receipt of shareholder and applicable regulatory approval (issued October 29, 2021 at a value of $1,750,000 in satisfaction of this commitment);
- In addition to the 7,000,000 Closing Shares, a total of US$9,750,000 will be paid in common shares (the "Milestone Shares") as certain milestones are reached. The Milestone Shares will be as follows:
  - Cornish Metals to make a US$4,750,000 payment in common shares upon closing of either the financing for the dewatering of the mine at the South Crofty Tin Project, and / or any interim financings (up to 10% of the gross proceeds of such interim financings). In relation to this milestone payment, the Company recorded $6,099,858 as an acquisition cost and corresponding commitment to issue shares (Note 12), which was subsequently re-measured to $6,041,525 at the closing rate at the date of the statement of financial position; and
  - Cornish Metals to make a US$5,000,000 payment in common shares upon making a decision to proceed with the development and / or construction of a mine either at the South Crofty Tin Project or at the United Downs property.

Shareholder approval for the shares to be issued under the Side Letter was obtained at the AGM held on July 30, 2021.

TSX-V approval for the Side Letter was received on November 3, 2021, other than for the issuance of the Closing Shares which was received in October 2021. The future issuance of the Milestone Shares by the Company is subject to TSX-V approval prior to such issuance with the TSX-V determining the acceptability of the pricing of the Milestone Shares at the time of such approval.

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS – *Continued*

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 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. During the year ended January 31, 2022, the Company recorded a recovery against exploration and evaluation assets of $129,252 (2021 - $64,789) for the fair value of the CLL shares received.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2022		January 31, 2021
Trade payables	**$**	**426,522**	$	785,462
Accrued liabilities		**186,656**		160,873
Related party payable		**-**		789
Total	**$**	**613,178**	$	947,124

11. LEASE LIABILITY

		Year ended January 31, 2022		Year ended January 31, 2021
Opening balance	**$**	**20,389**	$	98,908
Lease modification and remeasurement		**-**		102
Addition		**8,181**		-
Lease payments		**(27,760)**		(88,338)
Amortization of discount – charged to profit or loss		**3,895**		9,717
Amortization of discount – capitalized to exploration & evaluation assets		**166**		-
Ending balance	**$**	**4,871**	$	20,389

(Expressed in Canadian dollars)

11. LEASE LIABILITY - *Continued*

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:

		January 31, 2022		January 31, 2021
Current portion of lease obligation	**$**	**4,204**	$	20,389
Long-term portion of lease obligation		**667**		-
Ending balance	**$**	**4,871**	$	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	$	4,635	$	772	$	5,407	$	4,871

During the year ended January 31, 2022, 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 year ended January 31, 2022, 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 year ended January 31, 2022 was $3,600 ((2021 - $24,400) 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.

12. COMMITMENT TO ISSUE SHARES

		January 31, 2022		January 31, 2021
Current portion of commitment to issue shares	**$**	**6,041,525**	$	-
Ending balance	**$**	**6,041,525**	$	-

Pursuant to the restructuring of the outstanding deferred considerable payable in respect of the acquisition of the Cornwall Mineral Properties (Note 9), the Milestone Shares meet the definition of a derivative financial instrument which is recognized at fair value. In determining fair value, the triggering events for the crystallization of the Milestone Shares as described in Note 9 have been assessed, including their potential future timing.

The fair value of the deferred considerable payable has been included within acquisition costs within the carrying value of the Cornwall Mineral Properties.

(Expressed in Canadian dollars)

13. DEBT AND ROYALTY OPTION

		Year ended January 31, 2022		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 14)		**(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 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 14).

(Expressed in Canadian dollars)

14. NSR LIABILITY

		Year ended January 31, 2022		Year ended January 31, 2021
Opening balance	**$**	**-**	$	-
Conversion of debt into NSR liability (Note 13)		**6,037,330**		-
Conversion of Royalty Option into NSR liability (Note 13)		**2,886,514**		-
Transaction costs		**(275,464)**		-
Foreign currency translation		**68,950**		-
Ending balance	**$**	**8,717,330**	$	-

On February 19, 2021, Osisko exercised the Royalty Option (Note 13) 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 13, and has instead agreed to a 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 $275,464 were incurred in respect of the transaction, resulting in an initial carrying value of the NSR liability of $8,648,380.

(Expressed in Canadian dollars)

15. CAPITAL AND RESERVES

Authorized share capital

At January 31, 2022, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances

Year ended January 31, 2022

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 7).

Year ended January 31, 2021

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, which included share issue costs of $28,556 incurred during the year ended January 31, 2020.

Stock options and warrants

As at January 31, 2022, the following stock options and warrants were outstanding and exercisable:

	Outstanding		Exercise price	Exercisable	Expiry date
Options	1,400,000	$	0.20	1,400,000	November 3, 2022
	5,150,000		0.10	5,150,000	August 19, 2025
Warrants	2,072,222	$	0.10	2,072,222	November 9, 2022
	1,450,000		0.07	1,450,000	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)

15. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

Stock options – Continued

Stock option transactions for the years ended January 31, 2022 and 2021 are summarized as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2020	6,425,000	$ 0.15
Granted	5,150,000	0.10
Forfeited	(425,000)	0.18
Expired	(2,020,000)	0.11
Balance, January 31, 2021	9,130,000	0.13
Exercised	(2,580,000)	0.16
Balance, January 31, 2022	**6,550,000**	**$ 0.12**
Number of options exercisable as at January 31, 2022	**6,550,000**	**$ 0.12**

Warrants

Warrant transactions for the years ended January 31, 2022 and 2021 are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2020	-	$ -
Issued pursuant to a private placement financing	23,525,000	0.07
Granted	5,222,222	0.10
Exercised	(16,100,000)	0.07
Balance, January 31, 2021	12,647,222	$ 0.08
Exercised	(9,125,000)	0.08
Balance, January 31, 2022	**3,522,222**	**$ 0.09**

Year ended January 31, 2021

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.

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

Year ended January 31, 2022

During the year ended January 31, 2022, 9,125,000 warrants were exercised, of which 6,225,000 were Warrant Shares and 2,900,000 were Incentive Warrants, resulting in total proceeds of $725,750

(Expressed in Canadian dollars)

15. CAPITAL AND RESERVES - *Continued*

Share-based compensation

During the year ended January 31, 2022, the Company granted no stock options. During the year ended January 31, 2021, the Company granted 5,150,000 stock options to directors and officers with an estimated fair value of $384,758.

During the year ended January 31, 2022, the Company recorded $80,554 (2021 - $304,204) in share-based compensation expense.

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

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

16. 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.

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Loss before income taxes	**$ (2,911,140)**	$ (1,598,400)
Expected income tax (recovery)	**(786,000)**	(432,000)
Permanent difference	**(2,390,000)**	30,000
Change in statutory, foreign tax, foreign exchange rates and other	**2,231,000**	34,000
Adjustment to prior year's provision versus statutory returns	**37,000**	(119,000)
Impact of conversion of deferred costs	**(227,000)**	-
Impact from exercise of Royalty Option	**466,000**	-
Utilization of non-capital losses	**2,352,000**	-
Changes in unrecognized deductible temporary differences	**(1,683,000)**	487,000
Income tax expense (recovery)	**$ -**	$ -

(Expressed in Canadian dollars)

17. INCOME TAXES - *Continued*

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**$ (116,000)**	$ (71,000)
Property and equipment and other	**(731,000)**	(656,000)
Allowable capital losses	**148,000**	88,000
Non-capital losses	**699,000**	639,000
Net deferred tax liabilities	**$ -**	$ -

The significant components of the Company's deferred tax assets that have not been included in the consolidated statement of financial position are as follows:

	2022	2021
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**$ 4,187,000**	$ 4,249,000
Property and equipment and other	**441,000**	576,000
Allowable capital losses	**453,000**	513,000
Non-capital losses available for future periods	**1,992,000**	3,418,000
	7,073,000	8,756,000
Unrecognized deferred tax assets	**(7,073,000)**	(8,756,000)
Net deferred tax assets	**$ -**	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included in the consolidated statement of financial position are as follows:

	2022	Expiry dates	2021
Exploration and evaluation assets	**$ 14,379,000**	no expiry date	$ 14,620,000
Property and equipment and other	**1,632,000**	2042 onwards	2,131,000
Allowable capital losses	**1,126,000**	no expiry date	1,572,000
Non-capital losses available for future periods	**8,241,000**	2036 onwards	13,303,000
Canada	**5,226,000**	2039 to 2042	11,029,000
USA	**462,000**	2036 onwards	457,000
UK	**2,553,000**	no expiry date	1,817,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. COMMITMENTS

The Company has entered into contracts with utility providers, land owners 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 $240,000. 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 £84,000 per annum (equivalent to $143,573 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 £84,000 on ore extracted from property that falls within the mineral rights held by the owners 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.

19. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the years ended January 31, 2022 and 2021:

Operating expenses

a) Paid $7,432 to North Arrow Minerals Inc. ("North Arrow"), a company with two common directors, for office space and administrative services (2021 - $7,239), and received $2,422 as an expense reimbursement (2021 – $1,879);

b) Received $7,134 from Winshear Gold Corp., a company with a common director, relating to an apportionment of administrative costs, benefits and rent for the Vancouver office (2021 - $9,907), of which $325 was included in receivables (2021 - $1,919);

Exercise of stock options

a) Received $26,250 from Owen Mihalop relating to the exercise of 175,000 stock options on December 20, 2021;

b) Received $187,500 from directors (Ken Armstrong, Patrick Anderson, D. Grenville Thomas and Richard Williams) relating to the exercise of 1,250,000 stock options on January 3, 2022 (Note 20).

Exercise of warrants

a) 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 (Note 15);

b) 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;

c) 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

(Expressed in Canadian dollars)

19. RELATED PARTY TRANSACTIONS - *Continued*

Exercise of warrants – *Continued*

d) 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.

Participation in financings

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

b) Received $24,500 from each of Richard Williams, Don Njegovan and D. Grenville Thomas for their participation in the financing that completed upon the Company's listing on AIM in February 2021 (Note 15).

Transactions with related parties concluded in current and previous periods are disclosed in Notes 13, 14 and 15 of these consolidated financial statements.

20. KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors and officers. Compensation awarded to directors and other key management personnel during the years ended January 31, 2022 and 2021 was as follows:

	Year ended January 31, 2022				
	Base salary	Fees	Bonus	Benefits	**Total**
Patrick Anderson (director)	$ -	$ 28,661	$ -	$ -	**$ 28,661**
Kenneth Armstrong (director)	-	19,107	-	-	**19,107**
Stephen Gatley[1] (director)	-	6,021	-	-	**6,021**
John McGloin (director)	-	19,107	-	-	**19,107**
Don Njegovan (director)	-	19,107	-	-	**19,107**
D. Grenville Thomas (director)	-	19,107	-	-	**19,107**
Richard Williams (CEO and director)	241,667	-	70,000	6,252[2]	**317,919**
Total – directors	241,667	111,110	70,000	6,252	**429,029**
Other key management[4]	428,267	16,850	124,938	2,274[3]	**572,329**
Total - key management	**$ 669,934**	**$ 127,960**	**$ 194,938**	**$ 8,526**	**$ 1,001,358**

	Year ended January 31, 2021				
	Base salary	Fees	Bonus	Benefits	**Total**
Richard Williams (CEO and director)	$ 200,000	$ -	$ -	$ 8,432[2]	**$ 208,432**
Other directors	-	-	-	-	**-**
Total – directors	200,000	-	-	8,432	**208,432**
Other key management[4]	353,056	7,251	-	2,262[3]	**362,569**
Total - key management	**$ 553,056**	**$ 7,251**	**$ -**	**$ 10,694**	**$ 571,001**

(Expressed in Canadian dollars)

20. KEY MANAGEMENT COMPENSATION – *Continued*

[1] Appointed on October 13, 2021
[2] Benefits include extended medical and dental insurance, life insurance and the provision of parking at the Company's office in Vancouver.
[3] Benefits relate to statutory pension contributions payable by the employer.
[4] Allocated $555,479 (2021 - $355,318) to salaries and benefits and $16,850 (2021 - $7,251) to professional fees. Compensation of the directors has been allocated to salaries and benefits.

Details of stock options held by directors during the years ended January 31, 2022 and 2021 were as follows:

	January 31, 2021	Exercised	**January 31, 2022**	Average exercise price
Patrick Anderson	1,200,000	(250,000)	**950,000**	$ 0.12
Kenneth Armstrong	1,000,000	(250,000)	**750,000**	$ 0.13
Stephen Gatley[1]	-	-	**-**	N/A
John McGloin	-	-	**-**	N/A
Don Njegovan	1,000,000	-	**1,000,000**	$ 0.10
D. Grenville Thomas	1,000,000	(250,000)	**750,000**	$ 0.13
Richard Williams	1,500,000	(500,000)	**1,000,000**	$ 0.12
Total	5,700,000	(1,250,000)	**4,450,000**	**$ 0.12**

[1] Appointed on October 13, 2021

	January 31, 2020	Granted	Expired/Forfeited	January 31, 2021	Average exercise price
Patrick Anderson	450,000	750,000	-	1,200,000	$ 0.13
Kenneth Armstrong	850,000	550,000	(400,000)	1,000,000	$ 0.13
Alex Drapack[1]	200,000	-	(200,000)	-	N/A
John McGloin[2]	-	-	-	-	N/A
Don Njegovan	-	1,000,000	-	1,000,000	$ 0.10
D. Grenville Thomas	700,000	550,000	(250,000)	1,000,000	$ 0.13
Richard Williams	1,450,000	800,000	(750,000)	1,500,000	$ 0.13
Total	**3,650,000**	**3,650,000**	**(1,600,000)**	5,700,000	**$ 0.13**

[1] Resigned on February 3, 2020
[2] Appointed on October 27, 2020

No stock options were granted during the year ended January 31, 2022. During the year ended January 31, 2021, the Company granted 3,650,000 stock options to directors at an exercise price of $0.10. These stock options are exercisable until August 19, 2025.

During the year ended January 31, 2022, 1,250,000 stock options (2021 – Nil) were exercised by directors with an average exercise price of $0.15. No stock options expired or were forfeited during the year ended January 31, 2022 (2021 – 1,600,000 at an average exercise price of $0.12).

Share-based compensation for directors during the year ended January 31, 2022 was $57,092 (2021 - $215,601) and for other key management was $23,462 (2021 - $88,603). Share-based payments are the fair value of options that have been granted and vested to directors and other key management personnel.

21. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended January 31, 2022, the significant non-cash transactions were:

a) Included in exploration and evaluation assets are capitalized depreciation of $39,560, prepaid expenses of $61,543 and $408,409 which relates to accounts payable and accrued liabilities;

b) Included in property, plant and equipment are capitalized borrowing costs of $27,763;

c) Included in exploration and evaluation assets are acquisition costs of $7,875,002 which relates to the restructuring of the deferred consideration payable for the Cornwall Mineral Properties (Note 9); and

d) Exploration and evaluation assets have been reduced by $129,252 which represents the estimated fair value of common shares of a private company received pursuant to a property option agreement.

During the year ended January 31, 2021 the significant non-cash transactions were:

a) Included in exploration and evaluation assets are capitalized depreciation of $51,004, prepaid expenses of $8,654 and $231,914 which relates to accounts payable and accrued liabilities;

b) Included in property, plant and equipment are capitalized borrowing costs of $490,962 and $79,955 which relates to accounts payable and accrued liabilities;

c) Included in deferred financing fees is $344,628 which relates to accounts payable and accrued liabilities;

d) Included in deferred costs on conversion of royalty option is $101,863 which relates to accounts payable and accrued liabilities; and

e) Exploration and evaluation assets have been reduced by $64,789 which represents the estimated fair value of common shares of a private company received pursuant to a property option agreement.

(Expressed in Canadian dollars)

22. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and evaluation of mineral properties in the United Kingdom. Assets located in Canada relate to the corporate centre. The geographical split of assets is as follows:

	As at January 31, 2022			As at January 31, 2021		
	Canada	**United Kingdom**	**Total**	Canada	United Kingdom	Total
Deposits	$ -	$ 42,448	**$ 42,448**	$ 10,964	$ 26,012	$ 36,976
Property, plant and equipment	443	6,436,732	**6,437,175**	27,930	6,343,922	6,371,852
Exploration and evaluation assets	**-**	20,772,029	**20,772,029**	-	9,507,859	9,507,859

23. SUBSEQUENT EVENTS

a) Strategic investment by Vision Blue Resources Limited

On March 28, 2022, a conditional financing of up to £40.5 million ($66.8 million based on the closest exchange rate as at March 25, 2022) (the “Offering”) was announced, which includes a £25.0 million (approximately $41.2 million based on the closing exchange rate as at March 25, 2022) strategic investment by Vision Blue Resources Limited (“VBR”). The balance of the Offering is expected to be completed through a private placement with certain Canadian and UK investors and eligible private investors.

The Offering is being structured through a unit offering comprising one common share at £0.18 ($0.30 for Canadian investors) and a warrant to purchase one common share priced at £0.27 ($0.45 for Canadian investors) for a period of 36 months from the closing date of the Offering. A total of 225,000,000 units are being issued, comprising around 44.0% of the issued share capital as enlarged by the Offering, excluding the effect of the issuance of the Milestone Shares as described in Note 9.

The Offering is subject to receipt of TSX-V and shareholder approvals.