

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

Containing information up to and including April 26, 2023

Description of business

Cornish Metals Inc. (“Cornish Metals” or the “Company”) is a Canadian incorporated mineral exploration and development company focused on its mineral projects in Cornwall, United Kingdom. The Company’s flagship projects are the past producing South Crofty underground tin mine which is being advanced through to the delivery of a Feasibility Study, and the exploration of mineral properties at United Downs and other localities. The Company acquired rights for its mineral projects in Cornwall in July 2016.

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

The following discussion and analysis of the Company’s financial condition and results of operations for the year ended January 31, 2023, should be read in conjunction with the audited consolidated financial statements of the Company for the years ended January 31, 2023 and 2022, together with notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management’s expectations. Refer to the “Forward-Looking Statements” section which appears later in this MD&A.

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

Disclosure of a scientific or technical nature which appears in this MD&A was prepared under the supervision of Mr. Owen Mihalop, CEng, MIMMM. Mr. Mihalop is the Company’s COO and a “Qualified Person” as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and a Competent Person as defined under the JORC Code (2012).

Highlights for the year ended January 31, 2023 and for the period ending April 26, 2023

- Completion of 10,159 meters of drilling at the United Downs exploration project with assay results from the program confirming management’s belief in the potential to develop a Mineral Resource in the United Downs project area, subject to the availability of further funding;
- Four main targets were drill-tested: UD Lode, United Mines, Mount Wellington and Trenares Lode, with all four targets returning results warranting further follow-up drilling;
- Discovery of the Wide Formation during the exploration program at Carn Brea with a follow-up drill programme required to determine the continuity of mineralization and to define the geometry and extent of the target, subject to the availability of exploration funding;
- Completion of financing for gross proceeds of £40.5 million (\$65.1 million based on closest available exchange rate), including a strategic investment by Vision Blue Resources Limited (“VBR”) of £25.0 million (\$40.1 million), to advance the South Crofty tin project (“South Crofty”) to a construction decision;
- Issuance of a second tranche of common shares pursuant to the restructuring of the deferred consideration relating to the acquisition of the South Crofty tin project and associated mineral rights in Cornwall;
- Drill program underway at South Crofty to collect samples for metallurgical testwork as part of the South Crofty Feasibility Study, with completion of the program expected in early summer 2023;
- Key positions appointed to the South Crofty project management team, including Project Manager for the construction and commissioning of the water treatment plant (“WTP”), Feasibility Study Manager, Project Engineer, Health & Safety Officer and Human Resources Advisor, with additional employees appointed to the mining team to support greater mining related activities;

- Construction of the WTP is nearing completion including the installation of the treated water discharge duct, concrete foundation pad, tanks and clarifiers, structural steel supports and walkways, with the mechanical, electrical and instrumentation equipment being installed from April 2023;
- Commissioning of the WTP is planned for the summer of 2023 with a completion cost estimated to be between £6.5 million and £7.0 million (\$10.7 million and \$11.5 million at year end exchange rate);
- Pump and pipe handling infrastructure installed in readiness for the expected lowering of the pumps and pipes into New Cook’s Kitchen in May 2023 ahead of the commissioning of the WTP;
- Work on the Feasibility Study continues with completion planned by the end of 2024; and
- Mr. Tony Trahar nominated by Vision Blue Resources as its representative on the Company’s board of directors.

Strategic review of business

Cornwall mineral properties - background

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

Southwest England has a rich history in mining high-grade tin lodes, with over 450,000 tonnes of tin being produced from the central mining district (the towns of Redruth, Pool, and Camborne in Cornwall), the majority of which was produced from the South Crofty mine. However, whilst there are over 2,000 documented mines in Cornwall, there has been little modern exploration applied to this region, with the most recent period being in the 1960s when four new mines were discovered and put into production. The discovery of near-surface, high-grade copper and tin mineralization at United Downs in 2020 is testament to the exploration potential of the region.

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

Tin, copper and lithium are fundamental to growth in the technology sector and the transition to a low carbon economy. Independent market analysts forecast growing deficits for the tin, copper and lithium markets. Tin and copper have shown strong price increases through the past few years as investors anticipate renewed investment into infrastructure, especially electrification of various sectors, as global economies recover from the COVID-19 pandemic. These price gains have been scaled back in the past twelve months, with increased geopolitical uncertainty surrounding events in Russia / Ukraine and China / Taiwan leading to fears of a global recession. It is management’s view that this slowdown in demand will only serve to exacerbate the supply side constraints when the global economy recovers.

The Company’s 100% interest in the Cornwall mineral projects is held indirectly through South Crofty Limited, which is a wholly-owned subsidiary of Cornish Metals Limited, itself a wholly-owned subsidiary of the Company. The Company’s mineral rights in Cornwall are held indirectly through Cornish Minerals Limited (Bermuda), which is a wholly-owned subsidiary of Cornish Metals Limited.

South Crofty tin project – background

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

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

An updated Mineral Resource Estimate was published in June 2021. Furthermore, completion of the 'proof of concept' drill program during 2020 demonstrates management's belief in the exploration potential at South Crofty to materially increase the existing Mineral Resource base.

The proceeds from the financing which completed in May 2022 are being used to advance South Crofty to a potential construction decision expected in around 30 months from closing of the financing, as described more fully below.

Planning activities related to the dewatering of South Crofty

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the potential reopening of the mine. In March 2017, a water treatment trial was successfully completed at South Crofty. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that will allow treatment and discharge of up to 25,000m³/day of mine-water, following construction and commissioning of a new WTP which is expected in the first half of 2023. Mine dewatering is expected to take around 18 months after completion of the construction of the WTP.

Treated mine water from the newly constructed WTP will be discharged into the Red River via the Dolcoath Deep Adit. Since South Crofty closed in 1998, untreated mine water has entered the river. Dewatering the mine and treating the mine water will therefore have a positive effect on the quality of the Red River.

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

United Downs exploration project

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

Assays from drilling completed in April 2020 intersected some very high-grade copper-tin mineralization including 14.69 meters grading 8.45% copper and 1.19% tin, and 4.04 meters grading 4.44% copper and 2.06% tin. The semi-massive sulphide mineralization is similar in style to that found at nearby former producing mines.

An exploration program at United Downs commenced in April 2021 to follow up on the results of these drill holes. Four main target areas were drill-tested, namely the UD Lode (copper – tin – silver), United Mines (copper – tin – silver), Mount Wellington (zinc – tin – silver) and Trenares Lode (zinc – tin). Results from the exploration program are described below. These results are being evaluated to determine the priorities for follow-up and the next stage in the exploration program will be reported in due course.

Agreement with Cornish Lithium

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

- annual share issuances to the value of US\$100,000 in January of each year until January 2026, when the share payments would increase to US\$500,000 per year if Cornish Lithium elects to continue with the lease agreement;
- a 25% free carried interest, up to Bankable Feasibility Study, on Cornish Lithium's first project located on the Company's mineral right areas;
- a 10% free carried interest, up to Bankable Feasibility Study, on any subsequent projects located on the Company's mineral right areas; and

- a 2% gross revenue royalty from any production of metals from brines by Cornish Lithium and from any geothermal energy produced and sold to the national grid or other system produced from within any of the Company's mineral rights.

Activities update for the year ended January 31, 2023 and for the period ending April 26, 2023

Results from exploration program at United Downs

The Company commenced its exploration program at United Downs in April 2021. The drilling activities were contracted to Priority Drilling Limited, under the supervision of the Company's geological team.

Four targets were drill-tested: UD Lode, United Mines, Mount Wellington and Trenares Lode. The key points to date arising from this drill program are:

- Multiple zones of copper – tin – silver – zinc mineralization were intersected;
- High-grade copper - tin mineralization was intersected down dip beneath the historic United Mines; and
- A transition from high-grade copper to high-grade tin at depth as well as increasing tin grades with depth has been encountered, similar to the mineralization transition seen at South Crofty.

Details of the intercepts from the drill program can be found in the press releases dated July 5, 2021, August 30, 2021, November 3, 2021, December 6, 2021, June 29, 2022 and August 23, 2022. In total, 26 holes were drilled at United Downs amounting to 10,159 meters, of which all assay results have been reported in these press releases. Drilling ceased at the end of May 2022, with the metallurgical study drill program at South Crofty commencing soon thereafter, as described below.

In summary, results from the United Downs exploration program confirm management's belief in the potential to develop a Mineral Resource in the United Downs project area, especially the down dip section of the United Mine where high-grade copper, tin and silver grades were encountered. The Company is considering the next steps for advancing the United Downs project.

Results from exploration program at Carn Brea

Outside of the United Downs project area, a further target, Carn Brea, was also drill tested. Carn Brea is located along the southern boundary of the South Crofty underground permission area. At Carn Brea, eight holes were drilled totaling 2,501 meters. The drill holes confirmed up-dip, near-surface, extensions of the historic Great Flat Lode and discovered tin mineralization in a new target called the 'Wide Formation', inferred to lie parallel to, north of, and beneath the Great Flat Lode. The Great Flat Lode was mined historically over a five kilometer strike length.

Management is of the view that there is merit in further exploring the Wide Formation as this discovery is immediately adjacent to the South Crofty tin project. The Company is considering the next steps for continuing the exploration program on the Wide Formation to better define its geometry (strike and dip).

Construction progress of water treatment plant at South Crofty

The Company has employed key project management personnel, including a Project Manager and Project Engineer, for construction and commissioning of the WTP.

Construction progress of the WTP at South Crofty has included various enabling works, including completion of the treated water discharge duct from the WTP and the concrete foundation pad for the WTP itself. The pipelines carrying water from the submersible pumps in New Cook's Kitchen shaft to the WTP are substantially complete.

The WTP comprises nine reaction tanks for increasing and decreasing the pH to precipitate the various metals in solution, and six inclined plate settling tanks (lamella clarifiers) to remove the precipitated solids. All the tanks and clarifiers have been installed. The structural steel supports and walkways which provide access to the WTP are currently being installed.

The mechanical, electrical and instrumentation equipment is expected to commence installation by the end of April 2023 along with reagent storage, make-up and dosing equipment, which are being supplied as complete packages from specialist manufacturers.

Sand Separation Systems Limited, an industry leader in the treatment of mine water, have supported the running of a pilot plant to optimise the water treatment process flowsheet. This workstream has resulted in a reduction in reagent consumption, an improvement to metal and suspended solids recovery and an expected reduction in operating costs.

Overall, the current cost estimate for the WTP is expected to be between £6.5 million and £7.0 million, with commissioning planned in summer 2023. Preference has been given, where feasible, to suppliers located in Cornwall.

Preparation for mine dewatering at South Crofty

The Company has recruited additional employees to its mining team in anticipation of increased mining related activities during dewatering of the mine and support for underground drilling. All mine staff are receiving enhanced training reflecting the increased level of underground activities. Two mine rescue teams have also been established as part of the mutual aid scheme operating in the south-west of the UK.

New self-contained self-rescuers have been purchased and commissioned, with a new underground refuge chamber also having been constructed and commissioned. New ventilation ducting has been installed in support of the underground drilling for the metallurgical study drill program, as noted below. WiFi connections have been installed underground to provide improved communications with surface.

The two submersible pumps for the mine dewatering purchased in 2018 are being tested ahead of their lowering into the New Cook's Kitchen shaft. Lowering of the pumps into New Cook's Kitchen shaft will commence in May 2023. Pump and pipe handling infrastructure has also been installed around the headframe in readiness for the lowering of the pumps and pipes.

A new single drum winder has been ordered with delivery expected in October 2023. This winder will enable the New Cook's Kitchen's shaft to be re-accessed once dewatering activities are underway.

Metallurgical study drill program underway at South Crofty

A drill program as part of the South Crofty Feasibility Study was started in July 2022. The drill program is anticipated to require approximately between 8,000 and 12,000 meters of drilling.

Three drill rigs have been contracted from Priority Drilling Limited, under the supervision of the Company's geological team. Two rigs are drilling from surface and one rig is drilling from underground, collecting samples from the North Pool Zone (eastern section of Mineral Resource), the No. 4 and No. 8 Lodes (central part of the Mineral Resource), Roskear and Dolcoath South (western part of the Mineral Resource). These five main lodes / mineralized zones contain the majority of the mineralized material anticipated to be processed during the first six years of mine life.

All mineralized sample material required from No. 4 Lode, No. 8 Lode, Roskear and North Pool Zone has been collected and initial metallurgical studies have commenced. All of the metallurgical studies, except for Dolcoath South, are expected to be completed by the end of 2023 for inclusion in the Feasibility Study planned for completion by the end of 2024.

The program is designed to collect samples for various metallurgical studies, including XRT ore sorting, flowsheet optimisation and paste backfill studies, as well as collecting assay data to complement the current Mineral Resource estimate. This testwork should allow acceleration of the Feasibility Study in advance of dewatering the mine and will provide key information for the mineral processing flowsheet, especially the amenability of the mineralized zones to ore sorting which, if successful, will present an opportunity to deliver higher grade feed and reduce the size of the processing plant.

Preparation of Feasibility Study

Work on the Feasibility Study has been underway since June 2022. In addition to the metallurgical testwork program noted above, the Feasibility Study continues to advance with the following activities:

- Fairport Engineering has been engaged to design the process plant and estimate capital and operating costs;
- A geotechnical site investigation for the process plant has been completed by AGS Ground Solutions;
- MiningOne has been engaged to conduct numerical modelling and ground control studies for underground mining method and stope designs; and
- Entech Mining has been engaged to provide a study on the refurbishment, re-equipping and operation of New Cook's Kitchen shaft.

It is planned that the Feasibility Study will be completed by the end of 2024.

Agreement of South Crofty mineral leases

On February 4, 2022, agreement was reached with Sir Ferrers Vyvyan of Trelowarren in Cornwall to lease certain mineral rights owned by the Vyvyan family. The mineral lease covers an area of 222 hectares and is valid for 25 years. The lease will enable the Company to explore and mine within all the mineral right areas owned by the Vyvyan family inside the South Crofty mine, and to explore certain other mineral right areas adjacent to the South Crofty mine.

In addition, on October 19, 2022, agreement was reached with Roskear Minerals LLP (“Roskear Minerals”) to lease certain mineral rights located immediately adjacent to the southern boundary of the South Crofty mine. The agreement covers an area of 49 hectares which includes part of the historic Great Flat Lode and lies within the Company’s Carn Brea exploration area, as noted above. The agreement is for an initial prospecting lease for five years, with the Company having the option to extend for a further five years if required. The agreement can be converted to a mining lease at any time within the ten year period. The agreement will enable the Company to explore and, if successful, mine within the lease area, subject to receipt of mining permissions for that particular area that lies outside of the current South Crofty underground permission area.

These agreements supplement the agreement reached with Roskear Minerals in March 2021 (the “Roskear Agreement”) to lease their mineral rights within the South Crofty tin project. The Roskear Agreement enables the Company to explore and develop the Mineral Resources that are contained in the Roskear section of the South Crofty mine.

Strategic investment by Vision Blue Resources

On May 24, 2022, a financing of £40.5 million (\$65.1 million based on the closing exchange rate as at May 24, 2022) (the “Offering”) was completed, which included a £25.0 million (approximately \$40.1 million based on the closing exchange rate as at May 24, 2022) strategic investment by VBR. The balance of the Offering was completed through a private placement with certain Canadian and UK investors and eligible private investors.

A summary of the Offering is described below. Further details can be found in the press releases dated March 27, 2022 and May 23, 2022.

The Offering was 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 have been issued, comprising around 44.0% of the issued share capital as at May 24, 2022, excluding the effect of the issuance of the Milestone Shares as described below. VBR held approximately 27.2% of the enlarged issued share capital upon closing of the Offering.

The planned use of the proceeds from the Offering is to complete the dewatering program and Feasibility Study at South Crofty, evaluate downstream beneficiation opportunities and commence potential on-site early works in advance of a potential construction decision. The proceeds raised under the Offering are budgeted to fund a 30 month program from closing of the Offering.

Pursuant to an Investment Agreement entered into between the Company and VBR, upon closing of the Offering, VBR retains the following rights, among others, subject to certain terms and conditions:

- For so long as its shareholding in the Company is in aggregate not less than 10% of the Company’s issued share capital:
 - Nomination of one person to the Company’s board of directors as a non-executive director as an additional director to the current board of directors (the “Investor Director”), with Mr. Trahar being appointed to this position on June 6, 2022, as described below;
 - Nomination of one person to the Company’s technical committee to be formed from closing of the Offering, which person may be a person other than the Investor Director; and
 - A participation right to maintain its percentage ownership interest in the Company upon any offering of securities at the subscription price and similar terms as are applicable to such offering; and
- For so long as its shareholding and its affiliates’ shareholdings in the Company are in aggregate not less than 5% of the Company’s issued share capital, the appointment of an observer to the board of directors of the Company.

On closing of the Offering, VBR entered into a Relationship Agreement with the Company and SP Angel Corporate Finance LLP (the Company’s nominated adviser on AIM), relating to the carrying on of the Company’s business in an independent manner following the closing of the Offering.

The Company has undertaken to VBR to use its reasonable commercial efforts to complete a Feasibility Study in respect of South Crofty on or before 31 December 2024.

The Offering was subject to the approval of the TSX-V and shareholders, both of which were received by May 19, 2022.

Issuance of shares as deferred consideration payable for the Cornwall mineral properties

On June 30, 2021, agreement was reached with Galena Special Situations Limited (formerly Galena Special Situations Master Fund Limited) and Tin Shield Production Inc. (together the “Sellers”) to restructure the outstanding deferred consideration payable to the Sellers on the acquisition of the South Crofty tin project and associated mineral rights (the “Side Letter”). The fixed and variable payments that existed under the original share purchase agreement were replaced with fixed payments linked to pre-agreed project related milestones.

Pursuant to the Side Letter, 20,298,333 common shares were issued to the Sellers on May 31, 2022 (“Milestone Shares”). This payment was triggered by the Company raising funding for the dewatering of the South Crofty mine within the planned use of proceeds from the Offering, as described above.

The Milestone Shares represent consideration equivalent to an amount of US\$4,750,000 (\$6,089,500 at a US dollar / Canadian dollar exchange rate of 1.2820) at a deemed price of \$0.30 per common share. The deemed price was the same price under which Canadian investors subscribed to the Offering pursuant to the terms of the Side Letter. The value of the Milestone Shares in accordance with IFRS is \$9,844,692, being the market price of the Milestone Shares at their date of issuance.

As a result of this payment, the remaining deferred consideration payable to the Sellers is US\$5,000,000 in common shares, payable upon 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.

Disposal of Sleitat royalty to Electric Royalties

On May 27, 2022, the disposal of a 1% Net Smelter Royalty on the Sleitat tin-silver project located in Alaska, USA to Electric Royalties Limited was completed. The consideration was \$100,000 and 1,000,000 common shares in Electric Royalties, which in aggregate amounted to \$355,000 at the date of completion.

Appointment of new director

On June 6, 2022, Mr. Tony Trahar was nominated by VBR to serve as its representative on the Company’s board of directors. Mr. Trahar is currently a special adviser to VBR.

Mr. Trahar has had a 40 year career in the mining, natural resources and industrial sectors. From 2000 to 2007 he was Chief Executive of Anglo American Plc, one of the world’s largest mining groups, and was also a director of Anglo Gold, Anglo Platinum and De Beers.

From 1985 to 2000, Mr. Trahar was Chief Executive, and then Chairman of Mondi Ltd (now listed in London as Mondi Plc), a multinational forestry, pulp, paper and packaging group. Since leaving Anglo American, Mr. Trahar has also held a number of senior advisory roles for Barclays Natural Resource Investments (2007 to 2013) and Macquarie Bank (2014 to 2016).

Next steps for the Cornwall mineral properties

As described above, the proceeds raised from the Offering completed in May 2022 are being used to advance the South Crofty tin project to a potential construction decision within 30 months from closing of the Offering (December 2024). The planned use of the proceeds from the Offering is to complete the dewatering program and Feasibility Study at South Crofty, evaluate downstream beneficiation opportunities and commence potential on-site early works in advance of a potential construction decision.

Within 30 months from the closing of the Offering, the Company’s plans are as follows:

- Construct and commission the WTP by the summer of 2023 and thereafter complete the dewatering of the mine within 18 months;
- Complete drill programs for metallurgical studies and to produce an updated JORC compliant Mineral Resource estimate for a Feasibility Study;
- Complete a Feasibility Study using all reasonable commercial efforts by the end of 2024; and
- Commence basic and detailed engineering studies, construction of the processing plant, refurbishment of underground facilities and other on-site early works.

Subject to the availability of financing, consideration will also be given to continuing with the Company’s exploration program at United Downs and evaluating other near-surface, high potential, exploration targets within transport distance of the planned processing plant site at South Crofty.

Results of operations

Financial highlights for the years ended January 31, 2023 and 2022

	Years ended	
	January 31, 2023	January 31, 2022
<i>(Expressed in Canadian dollars)</i>		
Total operating expenses	3,448,124	3,007,748
Loss before income taxes	1,202,257	2,911,140
Loss for the year	1,218,257	2,911,140
Net cash (used in) operating activities	(3,607,008)	(3,085,862)
Net cash (used in) investing activities	(10,318,376)	(3,988,978)
Net cash provided by financing activities	61,657,081	13,963,043
Cash at end of the financial year	55,495,233	6,922,704

- Higher promotional and corporate expenses following successful fundraise cornerstoned by VBR and progression of the South Crofty tin project;
- Unrealized gain of \$752,368 arising from increased valuation of holding in Cornish Lithium (carrying value: \$2.3 million at January 31, 2023) following its most recent fundraising completed in June 2022;
- Costs of \$676,059 and \$222,236 capitalized in connection with the exploration programs at United Downs and Carn Brea, respectively (excluding capitalized depreciation and other non-cash items);
- Expenditure of \$4.0 million on the construction of the WTP, related dewatering equipment and new or replacement equipment for the mine;
- Other project related costs of \$5.6 million incurred since the closing of the Offering relating to the advancement of the South Crofty tin project to a potential construction decision, primarily for the metallurgical drill program and planning activities for the WTP;
- Gross proceeds raised from the Offering of £40.5 million (\$65.1 million), following gross proceeds raised from the AIM listing in comparative period of £8.2 million (\$14.4 million);
- Interest income of \$417,136 arising from increased interest rates being received on higher cash balance following the Offering; and
- Foreign exchange gain of \$758,216 arising from appreciation of the British pound compared to the Canadian dollar since closing of the Offering and the resulting translation impact on the cash balance.

Commentary for the year ended January 31, 2023

During the year ended January 31, 2023 (the “Current Year”), the Company recorded a loss of \$1,202,257 as compared to a loss of \$2,911,140 for the year ended January 31, 2022 (the “Comparative Year”). Comprehensive loss for the Current Year totaled \$1,693,096 (\$0.00 loss per share) as compared to comprehensive loss of \$3,324,291 (\$0.01 loss per share) in the Comparative Year.

The Company recognized a foreign currency translation loss of \$474,839 (Comparative Year – \$413,151) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Year, expenses totaled \$3,448,124 as compared to expenses of \$3,007,748 in the Comparative Year. This increase is mainly attributable to higher advertising and promotion expenditure, corporate remuneration, insurance costs and non-capitalized exploration expenditure offset by lower professional fees and share-based compensation expense.

Advertising and promotion expense (Current Year - \$515,166; Comparative Year - \$372,910) increased primarily due to higher travel related expenditure. Preparatory work for the Offering, attendances at investor conferences and continued development of the Company's mineral properties in Cornwall have resulted in an increase in travel related expenditure of the Company's executives and non-executive directors. Publicity costs in Cornwall have also increased through greater engagement with the local community and the wider population in Cornwall. Other costs included in this expense category include fees relating to public relations in the UK and investor relations in North America.

Professional fees (Current Year - \$744,585; Comparative Year - \$1,027,481) include accounting and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees decreased mainly due to the financial advisory fees relating to preparatory work for the AIM listing which were not eligible for capitalization being incurred in the Comparative Year. Legal fees were also lower in the Current Year reflecting the higher level of corporate activities undertaken in the Comparative Year, primarily relating to the restructuring of the outstanding deferred consideration payable in respect of the acquisition of the Cornwall mineral properties, as noted above. Other costs included in this expense category include recurring fees payable to the joint brokers and nominated adviser in the UK pursuant to the Company's listing on AIM.

Salaries, directors' fees and benefits expense (Current Year - \$1,652,333; Comparative Year - \$1,137,506) increased as the Company's activity levels increased since the Comparative Year with the result that compensation for the Company's executives was adjusted accordingly. In addition, bonuses were awarded to the Company's executives during the Current Year reflecting the successful completion of the first phase of the exploration program at United Downs and the Offering. Fees also became payable during the Current Year for those non-executive directors sitting on the Company's technical committee whereas in the Comparative Year no such fees were payable.

Share-based compensation expense (Current Year - \$Nil; Comparative Year - \$80,554) decreased as the last award of stock options in August 2020 had fully vested twelve months thereafter as compared to a share-based compensation expense for these stock options being recognized in the Comparative Year.

Insurance expense (Current Year - \$145,462; Comparative Year - \$95,918) increased as following the AIM listing and thereafter, the Offering, higher coverage levels for the D&O policy were arranged for the policy years commencing from December 1, 2021 and 2022, respectively. In addition, the cost of arranging the UK general liability policy increased reflecting higher activity levels and employee numbers.

Office, miscellaneous and rent (Current Year - \$102,540; Comparative Year - \$81,533) increased mainly due to an increase in sponsorship expenditure for various sporting, charitable and educational activities which were supported by the Company. These activities are held in local communities which are in close proximity to the Company's mineral properties in Cornwall. With the expiry of the lease in April 2021, the Company's office in Vancouver closed. Additional costs were incurred during the Comparative Year to close the office and to transition the Company's IT systems to the UK. Other costs in this expense category include the Company's membership fees of the International Tin Association and the Critical Minerals Association.

Regulatory and filing fees (Current Year - \$164,798; Comparative Year - \$129,633) increased due to the TSX-V filing fee for the approval of the Milestone Shares issued to the Sellers in May 2022, as noted above, and the higher filing fee for the annual approval of the stock option plan. This latter filing fee increased as there were more common shares in issue following the Offering. Included in the Comparative Year was the fee associated with the Company's admission to listing on AIM which was not eligible for capitalization. Other costs incurred in this expense category included the ongoing AIM listing and TSX-V sustaining fees, as well as transfer agent fees that are correlated to the levels of trading in the Company's shares across the two stock exchanges.

Accretion expense (Current Year - \$Nil; Comparative Year - \$15,764) relates to the unwinding of the convertible note with Osisko Gold Royalties Limited ("Osisko") for \$7.17 million that closed on January 26, 2018. In the Comparative Year, total accretion for the convertible note was \$43,527, of which \$15,764 was expensed and \$27,763 was capitalized to property, plant and equipment. On February 19, 2021, Osisko exercised its royalty option and the note was converted into a NSR liability with the consequence that accretion was no longer incurred after this date.

Depreciation (Current Year - \$443; Comparative Year - \$25,507) decreased due to the depreciation charge resulting from the Vancouver office in the Comparative Year, the lease of which expired in April 2021. There were no additions of property, plant and equipment during the Current Year for which depreciation is expensed. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Year, capitalized depreciation increased (Current Year - \$144,086; Comparative Year - \$39,560) as there were a number of additions to the depreciable asset base at South Crofty following an increase in activity levels subsequent to completion of the Offering.

Generative exploration costs (Current Year - \$122,797; Comparative Year - \$37,047) were incurred for expenditure on the Company's mineral properties located in North America. In addition to recurring rental payments for these properties, expenditure was incurred to enhance their marketability for disposal, which included some costs to address historic permitting and remediation matters.

During the Comparative Year, a finance cost was incurred relating to the unwinding of the discount on the lease liability associated with the Vancouver office as a consequence of IFRS 16 (Current Year – \$Nil; Comparative Year – \$3,895).

Interest income (Current Year - \$417,136; Comparative Year - \$1,099) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Year, together with a higher level of cash being held by the Company following completion of the Offering.

The foreign exchange gain (Current Year - \$758,216; Comparative Year – loss of \$346,883) has arisen primarily due to the translation impact on the Company's cash balance, most of which is denominated in British pounds following the AIM listing. The British pound has appreciated against the Canadian dollar since the closing of the Offering, resulting in a foreign exchange gain on the funds raised. In the Comparative Year, the Canadian dollar appreciated against the British pound resulting in a foreign exchange loss on the funds raised through the AIM listing.

A gain on the disposal of a Net Smelter Royalty on the Sleitat tin-silver project located in Alaska, USA was recognized (Current Year - \$318,147; Comparative Year - \$Nil). The gain was determined as the consideration received of \$355,000, a combination of cash and common shares, less legal expenses incurred of \$36,853.

During the Current Year, an unrealized gain on marketable securities of \$752,368 was recognized (Comparative Year – \$445,703). This gain is mostly attributable to the increase in fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2022, using the allotment price of common shares issued by Cornish Lithium following its most recent fundraising completed in June 2022.

During the Comparative Year, a loss on the disposal of property, plant and equipment arose as the Company disposed of its server in the Vancouver office upon expiry of the lease at the end of April 2021 (Current Year - \$Nil; Comparative Year - \$3,074).

During the Current Year, an income tax expense of \$16,000 was recognized (Comparative Year - \$Nil) reflecting taxes payable arising from the disposal of the Sleitat tin-silver project in Alaska as described above.

Commentary for the three months ended January 31, 2023

During the three months ended January 31, 2023 (the "Current Quarter"), the Company recorded income of \$2,355,299 as compared to a loss of \$858,737 for the three months ended January 31, 2022 (the "Comparative Quarter"). Comprehensive income for the Current Quarter totaled \$4,229,575 (\$0.01 income per share) as compared to comprehensive loss of \$950,389 (\$0.00 loss per share) in the Comparative Quarter.

The Company recognized a foreign currency translation gain of \$1,890,276 (Comparative Quarter – loss of \$91,652) in comprehensive income arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Quarter, expenses totaled \$831,824 as compared to expenses of \$610,899 in the Comparative Quarter. This increase is mainly attributable to higher professional fees and corporate remuneration, with smaller increases seen in other expense categories.

Advertising and promotion expense (Current Quarter - \$115,845; Comparative Quarter - \$112,080) remained relatively stable and consisted of attendance fees for investor conferences, travel related expenditure, and fees for public and investor relations.

Professional fees (Current Quarter - \$243,848; Comparative Quarter - \$185,298) increased largely due to higher financial advisory fees being payable to the joint brokers and nominated adviser following completion of the Offering. In addition, higher legal fees were incurred in the Current Quarter as various initiatives were reviewed in respect of the marketing of the North American properties.

Salaries and benefits expense (Current Quarter - \$351,021; Comparative Quarter - \$238,679) increased due to higher compensation paid to the Company's executives during the Current Quarter as the Company's activity levels increased. Fees were also payable during the Current Quarter for those non-executive directors sitting on the Company's technical committee whereas in the Comparative Quarter no such fees were payable.

Insurance expense (Current Quarter - \$46,166; Comparative Quarter - \$29,823) increased as following the Offering, a higher coverage level for the D&O policy was arranged for the policy year commencing from December 1, 2022. In addition, the cost of arranging the UK general liability policy in the Current Quarter increased reflecting higher activity levels and employee numbers.

Office, miscellaneous and rent (Current Quarter - \$27,925; Comparative Quarter - \$20,651) increased due to higher sponsorship expenditure being incurred in the Current Quarter for various sporting, charitable and educational activities which were supported by the Company.

Regulatory and filing fees (Current Quarter - \$20,330; Comparative Quarter - \$15,181) increased due to the higher TSX-V sustaining fees being incurred following an increase in the market capitalization of the Company.

Depreciation (Current Quarter - \$Nil; Comparative Quarter - \$985) decreased as there were no new additions of property, plant and equipment during the Current Quarter for which depreciation is expensed with the existing asset base in the corporate centre having been fully depreciated.

Generative exploration costs (Current Quarter - \$26,689; Comparative Quarter - \$8,202) were incurred for expenditure incurred on the Company's mineral properties located in North America. Expenditure increased as some costs were incurred to address historic permitting and remediation matters.

Interest income (Current Quarter - \$280,919; Comparative Quarter - \$361) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Quarter, together with a higher level of cash being held by the Company following completion of the Offering.

The foreign exchange gain (Current Quarter - \$2,666,040; Comparative Quarter - \$40,314) has primarily arisen due to the translation impact on the Company's cash balance, most of which is denominated in British pounds. The British pound has appreciated against the Canadian dollar during the Current Quarter.

An unrealized gain on marketable securities of \$240,164 was recognized during the Current Quarter (Comparative Quarter - unrealized loss of \$287,417) partially resulting from a higher fair value of the Company's holding in Electric Royalties Limited which was received pursuant to the disposal of a Net Smelter Royalty on the Sleitat tin-silver project. The increase in fair value reflects the higher market price of these shares since October 31, 2022. In addition, the appreciation of the British pound against the Canadian dollar has increased the fair value of the Company's holding in Cornish Lithium compared to its fair value as at October 31, 2022.

Assets and liabilities

Total assets increased to \$102,106,198 as at January 31, 2023 as compared to total assets of \$36,088,025 as at January 31, 2022. The increase in the Company's asset base is attributable to the increase in cash arising from the proceeds of the Offering and expenditure incurred to advance the Company's mineral properties in Cornwall.

The Company's cash balance increased from \$6,922,704 as at January 31, 2022 to \$55,495,233 as at January 31, 2023, as a result of the successful completion of the Offering partially offset by ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities increased from \$1,574,506 as at January 31, 2022 to \$2,718,936 as at January 31, 2023. Most of this balance represents the Company's holding in Cornish Lithium which increased due to an uplift in its fair value following its most recent fundraising and the receipt of the next tranche of common shares in January 2023 pursuant to the exploration agreement with Cornish Lithium. In addition, the Company received common shares in Electric Royalties Limited, a TSX-V listed company, pursuant to the disposal of a Net Smelter Royalty on the Sleitat tin-silver project as described above.

Receivables increased from \$107,230 as at January 31, 2022 to \$656,407 as at January 31, 2023. Receivables largely consist of sales tax receivables from the governments of Canada and the UK. The sales tax receivable balance in the UK has increased due to higher activity levels associated with the Company's mineral properties in Cornwall, in particular, more expenditure being incurred on construction work and equipment related to the WTP and dewatering activities.

Prepaid expenses increased from \$231,933 as at January 31, 2022 to \$371,977 as at January 31, 2023. Prepaid expenses increased due to the upfront payment of the Company's insurance policies which were renewed in November 2022, as well as recurring expenses relating to the Company's listing on AIM and geological software subscriptions that were prepaid.

Deposits increased from \$42,448 as at January 31, 2022 to \$54,165 as at January 31, 2023 due to a deposit being paid for accommodation. Included in this balance is a deposit paid to the main contractor for the drill programs and a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment (“PPE”) assets increased from \$6,437,175 as at January 31, 2022 to \$9,721,352 as at January 31, 2023. Additions to PPE amounted to \$4,047,907, which include expenditure on the WTP and related dewatering equipment, as well as new or replacement equipment for the mine, motor vehicles and computer hardware and software as South Crofty is advanced. The most significant item within PPE is the capitalization of the WTP at \$6,951,185 which is treated as work in progress and is therefore not depreciated. A foreign currency loss of \$103,457 adversely impacted the carrying value of PPE due to the appreciation of the Canadian dollar against the British pound since January 31, 2022. Costs of \$515,744 have been transferred from PPE to exploration and evaluation assets to ensure consistency in categorization.

Depreciation of PPE amounted to \$144,529, of which \$443 has been expensed relating to assets that are used for corporate activities, with the balance of \$144,086 being capitalized to exploration and evaluation assets relating to assets located at the South Crofty mine. Equipment amounting to \$515,744 is treated as work in progress and will be depreciated once the assets are complete and available for use.

Exploration and evaluation assets of \$33,088,129 as at January 31, 2023, representing 32% of total assets, have increased from \$20,772,029 as at January 31, 2022. Expenditure of \$8,011,688 was capitalized during the Current Year. These costs were partially offset by a foreign currency translation loss of \$447,322 due to the appreciation of the Canadian dollar against the British pound since January 31, 2022, and a recovery of \$131,782 relating to the receipt of the next tranche of Cornish Lithium shares in January 2023.

Included in exploration and evaluation costs is a non-cash addition of \$4,223,686 relating to the issuance of shares in settlement of the outstanding deferred consideration. As noted above, these shares were issued to the Sellers on May 31, 2022 and are valued for IFRS purposes at the market price at their date of issuance (48.5 cents) rather than the deemed price (30.0 cents) under the Side Letter. Also included in exploration and evaluation costs are \$515,744 in prior year costs which were included in PPE and which have now been reclassified to exploration and evaluation assets to ensure consistency in categorization.

Capitalized costs relate to the Company’s mineral properties in Cornwall, and include general running costs of South Crofty, such as administrative salaries, utility & IT expenses, lease payments and office expenses. In addition, costs of \$676,059 and \$222,236 were capitalized in connection with the exploration programs at United Downs and Carn Brea, respectively, during the Current Year (excluding capitalized depreciation and foreign exchange movements), most of which related to drilling costs. Costs of \$5,552,084 were also incurred since the closing of the Offering relating to the advancement of South Crofty to a potential construction decision, primarily for the metallurgical drill program, planning activities for the WTP and the related dewatering of the mine and the ongoing feasibility study.

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

	January 31, 2022	Transfer from property, plant & equipment**	Expended / (recovered) during the year	January 31, 2023
Cornwall Mineral Properties, UK				
Exploration costs	\$ 4,536,805	\$ 515,744	\$ 5,564,997	\$ 10,617,546
Tenure and utility costs	1,292,255	-	566,770	1,859,025
Office and remuneration costs	4,201,741	-	1,879,921	6,081,662
Capitalized depreciation	437,888	-	144,086	581,974
Asset acquisition costs	10,898,376	-	4,223,686	15,122,062
Recovery of costs	(449,947)	-	(131,782)	(581,729)
Foreign currency translation	<u>(145,089)</u>	<u>-</u>	<u>(447,322)</u>	<u>(592,411)</u>
	<u>\$ 20,772,029</u>	<u>\$ 515,744</u>	<u>\$ 11,800,356</u>	<u>\$ 33,088,129</u>

** Certain costs from prior years included in property, plant & equipment have been reclassified to exploration and evaluation assets to ensure consistency in categorization.

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

Current liabilities decreased from \$6,658,907 as at January 31, 2022 to \$2,495,284 as at January 31, 2023 largely due to the satisfaction of the commitment to issue shares to the Sellers on May 31, 2022. Accounts payable and accrued liabilities increased from \$613,178 as at January 31, 2022 to \$2,494,642 as at January 31, 2023 reflecting increased procurement activities arising from the advancement of South Crofty, in particular, the construction of the WTP.

Total long-term liabilities increased from \$8,717,997 as at January 31, 2022 to \$9,149,804 as at January 31, 2023 as a result of the re-measurement of the NSR liability at the period end date. Since the NSR liability is denominated in US dollars, a foreign currency translation adjustment arises at each reporting date as it is converted into Canadian dollars for presentational purposes.

Selected annual information

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

	Years ended		
	January 31, 2023	January 31, 2022	January 31, 2021
	\$	\$	\$
General and administrative expenses, net	3,448,124	3,007,748	1,986,727
Total gain on marketable securities	752,368	445,703	391,797
Loss for the year:			
- Before taxes	(1,202,257)	(2,911,140)	(1,598,400)
- After taxes	(1,218,257)	(2,911,140)	(1,598,400)
Comprehensive loss for the year:			
- In total	(1,693,096)	(3,324,291)	(1,509,368)
- Basic and diluted loss per share	(0.00)	(0.01)	(0.01)
Total assets	102,106,198	36,088,025	18,179,806
Property, plant and equipment	9,721,352	6,437,175	6,371,852
Exploration and evaluation assets	33,088,129	20,772,029	9,507,859
Total long-term financial liabilities	9,149,804	8,717,997	8,880,317

The Company's general and administrative expenses reflect the level of activities for the development of the Company's mineral properties in Cornwall which are not eligible for capitalization, and at a corporate level more generally. Non-cash items included in general and administrative expenses include depreciation on PPE utilized for corporate purposes, share-based compensation expense for the awards of share options and accretion related to the convertible note with Osisko.

The gain on marketable securities largely reflects the change in market value arising from the Company's interest in Cornish Lithium.

Loss for the year reflects the level of operating expenses, interest income on cash balances, foreign exchange differences arising on current assets and liabilities, and gains (unrealized and realized) on marketable securities.

Comprehensive loss includes the foreign currency exchange differences arising from the translation of the UK subsidiaries into Canadian dollars on consolidation.

Movements in total assets during the years presented are due to the proceeds raising from financing activities being used for the development of the Company's mineral properties in Cornwall, namely: the 'proof of concept' drill program at South Crofty, the exploration programs at United Downs and Carn Brea, and the advancement of South Crofty to a potential construction decision, including the construction of the WTP and the related dewatering of the mine. Acquisition costs relating to the settlement of deferred consideration are also included within exploration and evaluation assets.

Total long-term liabilities represent the debt and royalty option associated with the convertible note with Osisko prior to its subsequent conversion to a NSR liability in February 2021. The NSR liability is denominated in US dollars and is converted into Canadian dollars for presentational purposes.

Summary of quarterly results

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

Quarter ending	Interest income	Income (loss) from continued operations	Basic and Diluted Income (loss) per share from loss
	\$	\$	\$
January 31, 2023	\$ 280,919	\$ 2,355,299	\$ 0.01
October 31, 2022	120,993	(307,001)	(0.00)
July 31, 2022	14,480	(2,266,902)	(0.01)
April 30, 2022	743	(979,427)	(0.01)
January 31, 2022	361	(858,737)	(0.00)
October 31, 2021	241	(955,344)	(0.00)
July 31, 2021	305	203,987	0.00
April 30, 2021	192	(1,301,049)	(0.01)

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

Quarterly losses have generally arisen largely due to operating expenses being incurred for the development of the Company's mineral properties in Cornwall, which are not eligible for capitalization, and at a corporate level more generally. Corporate activities include compliance related expenditure and investor/media activity associated with the Company's listing on AIM and the TSX-V, and preparatory work for fundraising and other financing initiatives, with the timing of such work impacting the quarterly results.

The Company's expenses also include non-cash expenses such as depreciation on PPE utilized for corporate purposes, share-based compensation expense, whose timing varies depending on when share options are granted and vest, and accretion related to the Company's financing activities.

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

Liquidity and capital resources

The Company's working capital as at January 31, 2023 was \$56,747,268 as compared to working capital of \$2,177,466 as at January 31, 2022.

Cash increased by \$48,572,529 in the Current Year (Comparative Year – \$6,569,103) to \$55,495,233 as at January 31, 2023, which includes a foreign currency translation gain of \$840,832 (Comparative Year – loss of \$319,100). The British pound has appreciated against the Canadian dollar since the closing of the Offering, resulting in a foreign exchange gain on the funds raised.

Net cash used in operations during the Current Year was \$3,607,008 (Comparative Year - \$3,085,862). Changes in working capital items during the Current Year included an increase in receivables of \$549,177, an increase in prepaid expenses of \$96,025 and an increase in payables and accrued liabilities of \$68,740. The increase in receivables is mainly due to the higher sales tax receivable balance in the UK attributable to greater procurement levels associated with the Company's mineral properties in Cornwall.

During the Current Year, the Company used \$10,318,376 (Comparative Year – \$3,988,978) for investing activities, including \$2,729,942 for the acquisition of PPE, and \$7,576,717 for expenditure which was capitalized to exploration and evaluation assets. This expenditure related to the exploration programs at United Downs and Carn Brea, and the advancement of South Crofty to a potential construction decision. In the Comparative Year, \$3,683,498 was incurred on exploration and evaluation assets and \$303,071 was incurred on PPE.

Net cash provided by financing activities was \$61,657,081 in the Current Year (Comparative Year –\$13,963,043), including the proceeds from the Offering of \$65,135,746 offset by share issue costs of \$3,966,075, resulting in net proceeds from the Offering of \$61,169,671. In the Comparative Year, the Company received \$14,244,206 in gross subscriptions from the AIM listing and settled \$1,162,613 in share issue costs. Overall gross proceeds from the AIM listing were \$14,434,108 and total share issue costs amounted to \$1,506,824, resulting in net proceeds from the AIM listing of \$12,927,284.

Also in the Current Year, proceeds from the exercise of options and warrants amounted to \$411,222 (Comparative Year - \$1,135,500) and proceeds after legal expenses for the disposal of the Net Smelter Royalty on the Sleitat tin-silver mine were \$63,147 (Comparative Year - \$Nil). Proceeds from warrant exercises received in advance of the related share issuance were \$17,500 (Comparative Year - \$Nil). Lease payments were \$4,459 in the Current Year (Comparative Year - \$27,760).

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

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

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

Risks and uncertainties

Liquidity and going concern risks

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

As at January 31, 2023, the Company had current assets of \$59,242,552 to settle current liabilities of \$2,495,284. Although the Company has positive working capital of \$56,747,268 as at January 31, 2023, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure, including further exploration work, if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

Whilst the proceeds from the Offering were intended to provide sufficient liquidity to advance the South Crofty tin project to a potential construction decision within 30 months from closing of the Offering, there is no certainty on this assumption with potentially additional funding being required. Furthermore, further funding will be required thereafter to bring the South Crofty tin project into production. This funding may involve a mixture of equity, debt and other forms of financing, each carrying their own risk profile and cost.

The Company's consolidated financial statements for the year ended January 31, 2023 have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company and further exploration and development of its mineral properties is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

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

Foreign currency risk

The Company has its most significant exposure to foreign currency risk through 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 these assets is denominated in British pounds. Where possible, the currency of any fundraising whose primary purpose is for the advancement of the Company's mineral properties in the UK is denominated in British pounds to mitigate foreign currency risk.

The fluctuation of the Canadian dollar in relation to the British pound also has an impact on the value of the Company's assets as reported in its consolidated statement of financial position.

The Company does not presently invest in foreign denominated currency contracts to mitigate foreign currency risk, but will closely monitor this risk depending on the amount and currency of any future fundraising that is undertaken for the advancement of the Company's mineral properties located in the UK.

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.

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 limited to the investment returns received on cash placed in deposits held with Canadian and British financial institutions. Funds not required for immediate working capital needs are placed in deposits to maximize investment returns whilst balancing near-term liquidity requirements. The Company has no financial liabilities subject to variable interest rates.

Equity market risk

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

Commodity price risk

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

Outstanding share data

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

As at April 26, 2023, there were 535,270,712 common shares issued and outstanding.

As at April 26, 2023, the Company had the following stock options and warrants outstanding:

	Outstanding	Exercise Price	Exercisable	Expiry date
Options	5,150,000	\$ 0.10	5,150,000	August 19, 2025
Warrants	225,000,000	0.44 ¹	225,000,000	May 24, 2025

¹ Pursuant to the terms of the Offering, the exercise price of these warrants is £0.27 for non-Canadian investors or \$0.45 for Canadian investors.

During the years ended January 31, 2023 and 2022, the Company granted no stock options.

During the year ended January 31, 2023, the Company recorded \$Nil (2022 - \$80,554) in share-based compensation expense.

Transactions with related parties

The Company entered into the following transactions with related parties during the years ended January 31, 2023 and 2022:

Exercise of stock options

- a) Received \$65,000 from Owen Mihalop (Chief Operating Officer) relating to the exercise of 325,000 stock options on October 11, 2022 and received \$26,250 relating to the exercise of 175,000 stock options on December 20, 2021;
- b) Received \$187,500 from directors (Kenneth Armstrong, Patrick Anderson, D. Grenville Thomas and Richard Williams) relating to the exercise of 1,250,000 stock options on January 3, 2022.

Exercise of warrants

- a) Received \$38,182 from directors (D. Grenville Thomas and Don Njegovan) relating to the exercise of 381,824 warrants on November 7, 2022;

Participation in financings

- a) Received \$30,000 from each of Patrick Anderson, Stephen Gatley (director), Don Njegovan and Richard Williams, £10,000 from each of John McGloin (director) and Owen Mihalop, and \$90,000 from D. Grenville Thomas for their participation in the Offering;
- b) Received £25,000,000 from VBR for its participation in the Offering;
- c) Received \$24,500 from each of Don Njegovan, D. Grenville Thomas and Richard Williams for their participation in the financing that completed upon the Company's listing on AIM in February 2021; and
- d) The convertible note entered into with Osisko in January 2018 was converted into royalties over the Cornwall Mineral Properties on February 19, 2021.

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

	Years ended	
	January 31, 2023	January 31, 2022
Salaries, bonuses and benefits ¹	\$ 1,293,552	\$ 890,248
Directors’ fees (payable to non-executive directors)	215,951	111,110
Share-based payments ²	-	80,554
Total	\$ 1,509,503	\$ 1,081,912

- 1 Allocated \$1,279,502 (Comparative Year - \$873,398) to salaries, bonuses and benefits, and \$14,050 (Comparative Year - \$16,850) to professional fees.
- 2 Share-based payments are the fair value of options that have been granted and vested to directors and other key management personnel.

Commitments

The Company has entered into contracts with utility providers, 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 amounting to \$7.8 million relating to the construction of the water treatment plant and the associated dewatering of the South Crofty mine. The timing of payments relating to these commitments depends on the progress of the construction and commissioning of the water treatment plant but settlement of these commitments is expected within twelve months of the year end.

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 \$138,146 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 owner which varies according to the prevailing tin price.

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

Financial instruments

A description of the Company’s financial instruments and the financial risks to which the Company is exposed can be found in note 4 of the audited consolidated financial statements for the year ended January 31, 2023 and 2022.

Capital management

A description of the Company’s capital management can be found in note 14 of the audited consolidated financial statements for the year ended January 31, 2023 and 2022.

Significant accounting estimates and judgments

A description of the Company’s significant accounting estimates and judgments can be found in note 3a of the audited consolidated financial statements for the years ended January 31, 2023 and 2022.

Additional disclosure for venture issuers without significant revenue

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets is provided in the Company's consolidated statement of financial position, statement of changes in shareholders' equity, statement of loss and comprehensive loss and the exploration and evaluation assets note contained in its audited consolidated financial statements for years ended January 31, 2023 and 2022 prepared in accordance with IFRS. These statements are available on SEDAR at www.sedar.com.

Additional information

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

Forward-looking statements

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

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to: statements with respect to expenditures and sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's mineral properties, including, but not limited to, the Company's ability to evaluate and develop the South Crofty tin project and other Cornwall mineral properties and other statements, including, but not limited to: statements in respect of the required consents and permissions for further development of the South Crofty tin project and other Cornwall mineral properties, planned exploration and exploration results, exploration potential and project growth opportunities for the South Crofty tin project and other Cornwall mineral properties and the timing thereof, statements in respect of the Offering, the expected use of proceeds of the Offering, including in respect of certain work programs and the potential completion of a feasibility study on the South Crofty mine and the timing thereof, the Company's ability to obtain financing when required and on terms acceptable to the Company and the potential consequences if the Company fails to obtain any such financing, including potential delays in exploration and the advancement of mineral properties, the inability to maintain its mineral properties in good standing, and potential non-compliance with continued listing requirements, the Company's ability to comply with the terms of its royalty agreements in connection with the South Crofty tin project and other Cornwall mineral properties, and the remaining deferred consideration payable to the Sellers and timing thereof.

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

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

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

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the British pound sterling, risks related to changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined, risks related to completion of the Offering, including, among other things, risks related to the dilution of the Company's shareholders as a result

of the Offering, VBR's significant influence over the Company upon completion of the Offering, the potential impacts of VBR's significant interest in the Company on the liquidity of the shares following closing of the Offering, restrictions under certain negative covenants agreed to by the Company under the Investment Agreement, the termination of the Investment Agreement, risks that the Company may not be able to deploy the proceeds of the Offering in the manner contemplated, risks that VBR may not maintain its equity interest in the Company following closing of the Offering, risks related to receipt of regulatory approvals, risks related to delays in obtaining governmental approvals or financing, risk of non-compliance with planning and environmental permissions / licences, possible variations in ore reserves, grade or recovery rates, risks related to general economic and market conditions including credit risk, potential changes to the interest rate, equity market risk and commodity price risk, the timing and content of upcoming work programs, actual results of proposed exploration activities, risks related to the COVID-19 global pandemic and any variants of COVID-19 which may arise, risks associated with the unplanned departure of key personnel, environmental risks, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry, risks associated with changes in national and local government regulation of mining operations, tax rules and regulations, the effects of competition in the markets in which the Company operates, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, except as required by law.

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

Approval

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