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

Containing information up to and including June 21, 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 three months ended April 30, 2023, should be read in conjunction with the consolidated condensed interim financial statements of the Company for the three months ended April 30, 2023 and April 30, 2022, together with notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and specifically, in accordance with International Accounting Standards 34, Interim Financial Reporting ("**IAS 34**"). This Interim 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 three months ended April 30, 2023 and for the period ending June 21, 2023

- Drill program nearing completion at South Crofty to collect samples for metallurgical testwork as part of the Feasibility Study, with drilling expected to be finished by the end of June 2023;
- Construction of the water treatment plant ("**WTP**") substantially complete with commencement of dewatering expected later in summer 2023 at a construction cost estimated to be between £6.5 million and £7.0 million ($11.1 million and $11.9 million at quarter end exchange rate);
- First submersible pump currently being installed in New Cook Kitchen's shaft with the second pump expected to commence installation by the end of June 2023;
- Two single drum winders have been ordered for the shaft re-access work, with the main winder due on site in October 2023 and the emergency winder due for delivery in August 2023;
- Remedial work underway on the south headframe above New Cook Kitchen's shaft in readiness for the installation of the main winder;
- Work on the Feasibility Study continues with completion planned by the end of 2024; and
- Further digitization of historic assay information and data from the metallurgical drilling program is being incorporated into an updated Mineral Resource Estimate with a targeted release date for the end of September 2023.

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 neighboring exploration projects. 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 recent discovery of high-grade copper and tin mineralization at Carn Brea and United Downs is testament to the exploration potential of the region.

There is strong community and local government support for the development of new mines in Cornwall as evidenced by the grant of the Company's planning permissions and the recent expansion of 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 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 with tin being defined as a critical mineral by the UK, US and Canadian governments. There is no primary production in Europe or North America. 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. These price gains have been scaled back in the past eighteen 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 the primary focus for the Company at the present time. South Crofty comprises an underground permission (mine permit) area that covers 1,490 hectares, an area which includes twenty-six past 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 process plant which could serve as a central processing facility for any mining project located within reasonable transport distance, including Carn Brea and United Downs. The site is well serviced by power, road and rail infrastructure which will benefit the construction and operation of any future process plant.

An updated JORC (2012) compliant 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 £40.5 million fundraise completed in May 2022 which was cornerstoned by Vision Blue Resources (the "**Offering**"), are being used to advance South Crofty to a potential construction decision expected in around 30 months from closing of the Offering, 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 25,000m^3/day of mine-water, following commissioning of a new WTP which is expected during the summer of 2023. Mine dewatering is expected to take around 18 months after commissioning of the WTP through to the end of 2024.

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 directly 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 ("**NCK**") 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."

The Company's initial exploration program at United Downs was funded from the proceeds from the AIM listing in February 2021. The program was completed between April 2021 and May 2022 and involved 26 holes being drilled totaling 10,159 meters. Four targets were drill-tested: UD Lode (copper – tin – silver), United Mines (copper – tin – silver), Mount Wellington (zinc – tin – silver) and Trenares Lode (zinc – tin). All assay results have been reported.

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.

Carn Brea exploration project

Also using the proceeds from the AIM listing, a further target, Carn Brea, was drill tested between October 2021 and March 2022. 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. All assay results have been reported (refer press release dated January 10, 2023).

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. A follow-up drill program is being planned to determine the continuity of mineralization and to better define the geometry and extent of the Wide Formation. This follow-up program is expected to commence at the beginning of July 2023, as soon as the metallurgical drill program as described below is completed.

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, after which 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 three months ended April 30, 2023 and for the period ending June 21, 2023

Construction progress of water treatment plant at South Crofty

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 NCK shaft to the WTP are also 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, as have the structural steel supports and walkways which provide access to the WTP.

The installation of mechanical, electrical and instrumentation equipment is expected to be completed in the first half of August 2023. Reagent storage, make-up and dosing equipment have been supplied as complete packages from specialist manufacturers.

The building housing the high voltage power supply/sub-station and the variable speed drives required to operate the pumps is complete, and the 11kV power supply is scheduled to be in place by the end of June 2023. A turbine will be added ahead of the discharge point that will generate up to 15% of the electricity required to operate the WTP.

Wet commissioning of the WTP is expected to commence in August 2023, with commencement of mine dewatering expected shortly thereafter.

Overall, the cost of construction for the WTP is expected to be between £6.5 million and £7.0 million ($11.1 million and $11.9 million at quarter end exchange rate).

Installation of submersible pumps

Two submersible pumps manufactured by KSB in Germany are being installed in NCK shaft for the first stage of the two-stage mine dewatering program. The pumps are specialist high head, vertical pumps that will be controlled by variable speed drives to enable the 25,000m^3/day pumping rate to the WTP to be maintained as the water level drops and the pumping head increases.

The first pump is being installed in NCK shaft with the second pump expected to commence installation by the end of June 2023.

The pumps will be initially lowered to immediately below the 195 fathom level (360 meters below surface) and suspended from 120 three meter long pipes that will form the temporary rising main. When the water level reaches the 195 fathom level, a permanent set of pumps will be installed at that level. The submersible pumps will then be lowered to the 400 fathom level (approximately 700 meters below surface) for the second stage of dewatering.

Preparation for re-accessing the NCK shaft

Two single drum winders have been ordered for the shaft re-access work, with the main winder being supplied by Siemag Tecberg and an emergency winder being provided by Zitron. The winders are due on site in October 2023 and August 2023, respectively. These winders will enable the NCK shaft to be re-accessed once dewatering activities are underway.

Conveyance and rope attachment packages for both winders are being tendered for design and fabrication, and new winding ropes have been ordered for both machines.

Both sheave wheels and bearing blocks have been removed from the south headframe sitting above NCK shaft. The eastern sheave wheel has been split and the shafts and bearings are now ready for testing.

Pump and pipe handling infrastructure has also been installed around the headframe for the lowering of the pumps and pipes and subsequent dewatering activities. The above water timber compartments in the shaft have been inspected down to No.1 Level, with most sets found to be in good condition.

Metallurgical study drill program underway at South Crofty

A drill program as part of the Feasibility Study was started in July 2022. The drill program is anticipated to require approximately 10,300 meters of drilling and is expected to be completed by the end of June 2023.

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 has been collected and initial metallurgical studies have commenced. The metallurgical studies are expected to be substantially 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.

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 provide estimated capital and operating costs for the process plant;
- A site investigation for the process plant has been completed by AGS Ground Solutions;
- Numerical modelling of the proposed underground mining methods and stope designs has been completed by MiningOne;
- Geotechnical televiewing has been completed on the majority of mining areas by RobertsonGeo, validating previous known structural data;
- Paterson & Cooke has started concept engineering on paste backfill options as well as undertaking paste backfill testwork;
- Entech Mining has been engaged to provide a study on the refurbishment and recommissioning of NCK and Roskear shafts; and
- Piteau Associates have been engaged to provide hydrogeological studies.

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

Update to Mineral Resource Estimate

The Company's geological team continues to digitize and incorporate historic assay data into the Mineral Resource model. Recent work has focused on No. 1 and No. 2 Lodes, and a new Mineral Resource Estimate including these lodes together with data from the metallurgical drilling program noted above, is targeted for release at the end of September 2023.

The work between now and the end of the summer will concentrate on the "MING" zone, located immediately south of No. 1 and No. 2 Lodes, which comprises the Main, Intermediate, North and Great Lodes, also for inclusion in the Mineral Resource update.

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 early works on-site in advance of a potential construction decision.

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

- Construct WTP and commence dewatering during summer 2023 and thereafter complete the dewatering of the mine within 18 months;
- Complete a drill program for metallurgical studies and to produce an updated JORC (2012) 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.

A follow up drill program is also being planned to determine the continuity of mineralization and to better define the geometry and extent of the Wide Formation at Carn Brea. This follow-up program is expected to commence at the beginning of July 2023, as soon as the metallurgical drill program as described above is completed.

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 high potential, exploration targets within transport distance of the planned processing plant site at South Crofty.

Results of operations

Financial highlights the three months ended April 30, 2023 and 2022

	Three months ended	
	April 30, 2023	**April 30, 2022**
(Expressed in Canadian dollars)		
Total operating expenses	**924,120**	**627,115**
Loss for the period	**206,802**	**979,427**
Net cash used in operating activities	**1,030,901**	**625,384**
Net cash used in investing activities	**7,027,003**	**1,184,673**
Net cash used in financing activities	**723**	**555,449**
Cash at end of the period	**49,078,875**	**4,286,535**

- Increase in operating costs impacted by higher insurance costs attributable to more site-based activities primarily relating to the construction of the WTP and related dewatering work;
- Expenditure of $3.4 million incurred during the period on the construction of the WTP and related dewatering equipment, as well as new or replacement equipment for the mine;
- Other project related costs of $3.4 million incurred during the period relating to the advancement of South Crofty to a potential construction decision, primarily for the metallurgical drill program and planning activities for dewatering and shaft re-access;
- Interest income of $388,384 arising from increased interest rates being received on higher cash balance following the Offering; and
- Recognition of foreign currency translation gain of $3.0 million for those assets located in the UK when translated into Canadian dollars for presentational purposes.

Commentary for the three months ended April 30, 2023

During the three months ended April 30, 2023 (the "**Current Period**"), the Company recorded a loss of $206,802 as compared to a loss of $979,427 for the three months ended April 30, 2022 (the "**Comparative Period**"). Comprehensive income for the Current Period totaled $2,756,920 ($0.01 income per share) as compared to comprehensive loss of $2,132,185 ($0.01 loss per share) in the Comparative Period.

The Company recognized a foreign currency translation gain of $2,963,722 (Comparative Period – loss of $1,152,758) in comprehensive income arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Period, expenses totaled $924,120 as compared to expenses of $627,115 in the Comparative Period. This increase is mainly attributable to higher insurance costs, corporate remuneration and professional fees offset by lower travel and marketing expenditure.

Travel and marketing expense (Current Period - $89,590; Comparative Period - $110,878) decreased primarily due to lower travel related expenditure. Preparatory work for the Offering resulted in an increase in travel related expenditure of the Company's executives in the Comparative Period that was not repeated in the Current Period. Other costs included in this expense category include fees relating to public relations in the UK, investor relations in North America and publicity costs in Cornwall.

Professional fees (Current Period - $200,735; Comparative Period - $169,597) include accounting and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees increased mainly due to higher financial advisory fees payable to the joint brokers and nominated adviser in the UK following completion of the Offering in May 2022. In addition, fees were payable for risk management and environmental, social and governance ("**ESG**") consultancy services reflecting the progress of the South Crofty tin project in recent months. Partially offsetting these increases were lower legal fees reflecting the level of corporate initiatives undertaken in the Current Period.

Salaries, directors' fees and benefits expense (Current Period - $373,871; Comparative Period - $262,133) increased as the Company's activity levels increased since the Comparative Period with the result that compensation for the Company's executives was adjusted accordingly. Fees also became payable during the Current Period for those non-executive directors sitting on the Company's technical committee whereas in the Comparative Period no such fees were payable.

Insurance expense (Current Period - $172,430; Comparative Period - $33,509) increased as a construction all-risks policy has been put in place for the WTP and related dewatering work at South Crofty. In addition, the cost of arranging the UK general liability policy increased reflecting higher activity levels and employee numbers following the Offering. A higher coverage level for the D&O policy was also arranged for the policy year commencing from December 1, 2022.

Office, miscellaneous and rent (Current Period - $51,613; Comparative Period - $28,978) 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. Additional IT consultancy costs were also incurred to support the conversion of the Company's functional currency from Canadian dollars to British pounds with effect from February 1, 2023. 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 Period - $33,274; Comparative Period - $21,244) increased reflecting higher filing fees payable to SEDAR and other regulatory fees more generally. 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.

Depreciation (Current Period - $Nil; Comparative Period - $443) decreased as all assets held at the corporate center have been fully depreciated and there were no additions of property, plant and equipment during the Current Period for which depreciation is expensed. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Period, capitalized depreciation increased (Current Period - $64,237; Comparative Period - $10,963) 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 Period - $2,607; Comparative Period - $333) were incurred for expenditure on the Company's mineral properties located in North America. Expenditure was incurred to enhance their marketability for disposal, which included some costs to address historic permitting and remediation matters.

Interest income (Current Period - $388,384; Comparative Period - $743) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Period, together with a higher level of cash being held by the Company following completion of the Offering.

The foreign exchange gain (Current Period - $370,892; Comparative Period – loss of $353,055) has arisen primarily due to the appreciation of the British pound against the Canadian dollar since January 31, 2023. In the Comparative Period, the Canadian dollar appreciated against the British pound resulting in a foreign exchange loss.

During the Current Period, an unrealized loss on marketable securities of $41,958 was recognized (Comparative Period – $Nil). This loss is attributable to the lower 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 decrease in fair value reflects the lower market price of these shares since January 31, 2023.

<u>Assets and liabilities</u>

Total assets increased to $105,546,746 as at April 30, 2023 as compared to total assets of $102,106,198 as at January 31, 2023. The increase in the Company's asset base is mainly attributable to the appreciation of the British pound against the Canadian dollar thereby resulting in a foreign currency gain for those assets located in the UK when translated into Canadian dollars for presentational purposes.

The Company's cash balance decreased from $55,495,232 as at January 31, 2023 to $49,078,875 as at April 30, 2023, as a result of ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities increased from $2,718,936 as at January 31, 2023 to $2,774,121 as at April 30, 2023. Most of this balance represents the Company's holding in Cornish Lithium which appreciated in value in Canadian dollar terms although its fair value denominated in British pounds remained unchanged since January 31, 2023. Offsetting the appreciation in value of Cornish Lithium, there was a reduction in the fair value of the Company's holding in Electric Royalties Limited reflecting the lower market price of these shares since January 31, 2023.

Receivables increased from $656,407 as at January 31, 2023 to $1,184,781 as at April 30, 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. The refunds in respect of sales tax receivable balances are up-to-date, with the April 2023 refund having being received mid-June.

Prepaid expenses increased from $371,977 as at January 31, 2023 to $552,251 as at April 30, 2023. Prepaid expenses increased due to the upfront payment of the Company's construction all-risks policy which has been put in place for the WTP and related dewatering activities at South Crofty. In addition, certain recurring expenses relating to the Company's listing on AIM were prepaid during the Current Period.

Deposits increased from $54,165 as at January 31, 2023 to $85,554 as at April 30, 2023 due to a deposit being paid for a new banking facility. 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 $9,721,352 as at January 31, 2023 to $13,452,835 as at April 30, 2023. Additions to PPE amounted to $3,351,150, which include expenditure on the WTP and related dewatering equipment, as well as new or replacement equipment for the mine, the most significant of which are downpayments for the new winder as noted above. The single largest item within PPE is the capitalization of the WTP at $9,894,732 which is treated as work in progress and is therefore not depreciated. A foreign currency gain of $444,570 also increased the carrying value of PPE due to the appreciation of the British pound against the Canadian dollar since January 31, 2023.

Depreciation of PPE amounting to $64,237 has been capitalized to exploration and evaluation assets as the depreciation relates to assets located at the South Crofty mine. Equipment amounting to $1,235,250 is treated as work in progress and will be depreciated once the assets are complete and available for use.

Exploration and evaluation assets of $38,418,329 as at April 30, 2023, representing 36% of total assets, have increased from $33,088,129 as at January 31, 2023. Expenditure of $3,961,706 was capitalized during the Current Period. There was also a foreign currency translation gain of $1,304,257 due to the appreciation of the British pound against the Canadian dollar since January 31, 2023.

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. Costs of $3,422,260 were also incurred since January 31, 2023 relating to the advancement of South Crofty to a potential construction decision. These costs were primarily incurred for the metallurgical drill program and planning activities for dewatering and shaft re-access.

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

	January 31, 2023	Expended during the period	**April 30, 2023**
Cornwall Mineral Properties, UK			
Exploration costs	$ 10,617,546	$ 2,899,304	**$ 13,516,850**
Tenure and utility costs	1,859,025	262,510	**2,121,535**
Office and remuneration costs	6,081,662	799,892	**6,881,554**
Capitalized depreciation	581,974	64,237	**646,211**
Asset acquisition	15,122,062	-	**15,122,062**
Recovery of costs	(581,729)	-	**(581,729)**
Foreign currency translation	(592,411)	1,304,257	**711,846**
	$ 33,088,129	$ 5,330,200	**$ 38,418,329**

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

Current liabilities increased from $2,495,284 as at January 31, 2023 to $3,022,646 as at April 30, 2023 reflecting increased procurement activities arising from the advancement of South Crofty, in particular, the construction of the WTP and the metallurgical drill program.

Total long-term liabilities increased from $9,149,804 as at January 31, 2023 to $9,306,070 as at April 30, 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.

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 $**
April 30, 2023	$ 388,384	$ (206,802)	$ 0.01
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

* 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 April 30, 2023 was $50,567,382 as compared to working capital of $56,747,268 as at January 31, 2023.

Cash decreased by $6,416,357 in the Current Period (Comparative Period – $2,636,169) to $49,078,875 as at April 30, 2023, which includes a foreign currency translation gain of $1,642,270 (Comparative Period – loss of $270,663). The British pound has appreciated against the Canadian dollar since January 31, 2023, resulting in a foreign exchange gain on the funds raised from the Offering.

Net cash used in operations during the Current Period was $1,030,901 (Comparative Period - $625,384). Changes in working capital items during the Current Period included an increase in receivables of $528,374, an increase in prepaid expenses of $167,194 and an increase in payables and accrued liabilities of $200,403. 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 Period, the Company used $7,027,003 (Comparative Period – $1,184,673) for investing activities, including $3,179,655 for the acquisition of PPE, and $3,818,598 for expenditure which was capitalized to exploration and evaluation assets. This expenditure related to the construction of the WTP and advancement of South Crofty to a potential construction decision. In the Comparative Period, $1,171,500 was incurred on exploration and evaluation assets and $2,661 was incurred on PPE.

Net cash used by financing activities was $723 in the Current Period (Comparative Period –$555,449), all related to residual payments for a motor vehicle lease which matured in March 2023. In the Comparative Period, the Company received $30,000 for the receipt of share subscriptions received in advance and settled financing fees of $584,359, both associated with the Offering.

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 April 30, 2023, the Company had current assets of $53,590,028 to settle current liabilities of $3,022,646. Although the Company has positive working capital of $50,567,382 as at April 30, 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 condensed interim financial statements for the period ended April 30, 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 June 21, 2023, there were 535,270,712 common shares issued and outstanding.

As at June 21, 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	0.46[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 three months ended April 30, 2023 and 2022, the Company granted no stock options.

During the three months ended April 30, 2023 and 2022, the Company recorded $Nil in share-based compensation expense.

Transactions with related parties

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

	Three months ended	
	April 30, 2023	April 30, 2022
Salaries and benefits[1]	**$ 258,664**	$ 208,241
Directors' fees	**52,448**	32,500
Total	**$ 311,112**	$ 240,741

1 Allocated $256,381 (Comparative Period - $205,491) to salaries, bonuses and benefits, and $2,283 (Comparative Period - $2,750) to professional fees.

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 $7.4 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 $143,102 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 3 of the consolidated condensed interim statements for the three months ended April 30, 2023 and 2022.

Capital management

A description of the Company's capital management can be found in note 10 of the consolidated condensed interim statements for the three months ended April 30, 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 consolidated condensed interim financial statements for three months ended April 30, 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 Interim 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 Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it.