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

Containing information up to and including May 17, 2022

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 and the United Downs exploration project. 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 and tungsten in Alaska and nickel in Northwest Territories, Canada, in addition to holding a royalty on two tungsten assets (non-producing) located in the Northwest Territories and Yukon, Canada. Shares of the Company trade on the TSX Venture Exchange ("TSX-V") and the AIM market of the London Stock Exchange Plc ("AIM") under the symbol CUSN.

The following discussion and analysis of the Company's financial condition and results of operations for the year ended January 31, 2022, should be read in conjunction with the audited consolidated financial statements of the Company for the years ended January 31, 2022 and 2021, 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 Chief Operating Officer and a "Qualified Person" as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Highlights for the year ended January 31, 2022 and for the period ending May 17, 2022

- Completion of listing and concurrent financing on AIM in February 2021 raising gross proceeds of £8.2 million ($14.4 million based on closest available exchange rate) to advance the United Downs exploration project and for general working capital purposes;
- Conversion of Osisko loan note in February 2021 into two royalty agreements over mineral properties in Cornwall with an accompanying simplified and reduced security package;
- Agreements reached for the leasing of additional mineral rights at the South Crofty tin project and surface land surrounding the New Roskear Shaft, and binding heads of terms agreed for the disposal of waste material derived from the dewatering of the South Crofty mine;
- Increases in JORC (2012) compliant Indicated and Inferred Mineral Resource Estimates of contained tin / tin equivalent by 10.2% and 129.8%, respectively, for the Lower Mine in an updated Mineral Resource Estimate for the South Crofty mine published in June 2021;
- Commencement of phased exploration program at the United Downs exploration project in April 2021 with results from first 3,927 meters of drilling reported to date, with further assay results to be reported when available;
- Agreement reached for the restructuring of outstanding deferred consideration relating to the acquisition of the South Crofty tin project and associated mineral rights;
- Conditional financing announced in March 2022 to raise gross proceeds of up to £40.5 million ($66.8 million based on closest available exchange rate), including a strategic investment by Vision Blue Resources of £25.0 million ($41.2 million), to advance the South Crofty tin project to a potential construction decision, with completion of the financing subject to, among other things, receipt of TSX-V and shareholder approvals; and
- Mr. Stephen Gatley appointed as an independent non-executive director to the Board in October 2021.

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.

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 Cornish Lithium's projects in the area. Furthermore, management believes that there has been a recent shift in policy at local and central government levels which has seen growth in support for new mining projects in the UK, as demonstrated by the development of 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 year as investors anticipate renewed investment into infrastructure, especially electrification of various sectors, as global economies recover from the COVID-19 pandemic.

The Company's 100% interest in the Cornwall mineral projects is held indirectly through South Crofty Limited, 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

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. Production records date back to 1592, with full-scale mining activities commencing in the mid-17th century. South Crofty closed in 1998 as a result of the tin price collapse of 1985.

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

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

Subject to receipt of regulatory and shareholder approvals for the financing announced in March 2022, the proceeds will be 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, design and construction progress of the water treatment plant

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the 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 construction and commissioning of a new water treatment plant ("WTP"). Mine dewatering is expected to take around 18 months and is subject to receipt of financing for the construction of the WTP.

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

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

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. Further drilling is required to confirm the true width, as well as the strike and dip of the mineralized zone.

These drill holes confirm management's belief that there is exploration potential for both new structures and extensions to previously exploited structures within the United Downs exploration project. The phased exploration program at United Downs is planned to follow up on the results of these drill holes. The program aims to delineate further the known mineralized structures, conduct in-fill drilling, and subject to exploration success, estimate mineral resources, and produce the required technical studies to demonstrate the feasibility of conducting mining operations in the area. Results to date from the exploration program are described below.

Agreement with Cornish Lithium

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

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

<u>Activities update for the year ended January 31, 2022 and for the period ending May 17, 2022</u>

Listing on AIM

On February 16, 2021, the Company completed its listing and concurrent financing on AIM issuing 117,226,572 common shares at a price of £0.07 ($0.12), raising gross proceeds of £8,205,860 ($14,434,108 based on the closing exchange rate as at February 12, 2021). The Company's shares continue to be listed and traded on the TSX-V.

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

In connection with the admission of its shares on AIM, the Company, SP Angel Corporate Finance LLP ("SP Angel", the Company's nominated adviser on AIM) and Osisko Development Corporation ("ODV", a significant shareholder of the Company), entered into a Relationship Agreement which governed ODV's conduct as a significant shareholder in the Company. Following exercises of warrants subsequent to the Company's listing on AIM, ODV's shareholding in the Company has since fallen below 20.0%, which has resulted in the termination of the Relationship Agreement.

Conversion of Osisko loan note into royalties

On February 19, 2021, Osisko Gold Royalties Limited ("Osisko") exercised its royalty option and converted its loan note with a face value of $7.17 million into two royalties as follows:

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

In connection with the conversion of the loan note, Osisko agreed to release the comprehensive security package entered into by the Company in January 2018 pursuant to the loan note, and has instead agreed to a reduced security package for the Royalty Agreements. The reduced security package is in practice restricted to the Company's subsidiary, Cornish Minerals Limited (Bermuda), which holds the Company's mineral rights. Liquidated damages also become payable to Osisko in the event of default.

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

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

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

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

Additionally, a binding heads of terms was agreed on March 8, 2021 with Wheal Jane Limited for the disposal of waste material derived from the treatment of mine water from the South Crofty mine into the Wheal Jane tailings dam located 12 kilometers east of South Crofty. The agreement will become effective when dewatering of the South Crofty mine commences.

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.

Updated Mineral Resource Estimate released for South Crofty mine

An initial Mineral Resource Estimate ("MRE") was prepared in 2016 by P&E Mining Consultants. Since then, additional sampling information has been audited, verified and added to the resource model leading to an updated MRE for the Lower Mine and a re-stated MRE for the Upper Mine using updated metal prices to calculate tin equivalent grades.

An updated MRE for South Crofty mine was released on June 9, 2021 which showed a 10.2% increase in Indicated Mineral Resource to 2.08 million tonnes, grading 1.59% tin, and a 129.8% increase in Inferred Mineral Resource to 1.94 million tonnes, grading 1.67% tin. These figures are for the Lower Mine and are prepared in accordance with the JORC Code (2012).

A summary of the updated MRE is tabulated below:

South Crofty Summary Mineral Resource Estimate					
Area	**Classification**	**Mass (000' tonnes)**	**Grade**	**Contained Tin / Tin Equivalent (000' tonnes)**	**Increase in contained Tin / Tin equivalent from 2016 MRE**
Lower Mine	Indicated	2,084	1.59% Sn	33	10.2%
	Inferred	1,937	1.67% Sn	32	129.8%
Upper Mine	Indicated	277	1.01% SnEq	3	9.5%
	Inferred	493	0.93% SnEq	5	8.0%

The Lower Mine MRE is reported using a 0.6% tin cut-off grade and the Upper Mine is reported using a 0.6% tin equivalent cut-off grade, the same cut-off grades applied in the MRE prepared in 2016. The MRE was prepared by the Company's geological team and independently reviewed and verified by AMC Consultants (UK) Ltd.

The Lower Mine contains tin mineralization within quartz-tourmaline veins or "lode" structures, which are hosted entirely within granitic rocks. The Upper Mine contains tin, copper and zinc mineralization within quartz-chlorite veins, predominantly hosted within meta-sedimentary units. The major lode structures that comprise the MRE remain open along strike and to depth.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

Results from ongoing exploration program at United Downs

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

The first phase of the drill program focused on tracing the recently discovered high-grade copper-tin mineralization in the structure named "UD Lode" (formerly Lithium Lode) along strike and down dip.

The key points to date arising from the exploration program are:

- The UD Lode has been traced over a 200 meter strike length and 400 meter down dip;
- Several additional zones of copper – tin – silver – zinc mineralization have been intersected adjacent to the UD Lode; and
- Multiple zones of high-grade copper mineralization have been intersected down dip beneath the historic United Mines.

A second target 900 meters to the south of the UD Lode, called Trenares Lode, has also been drill tested. The Trenares Lode is within the United Downs project area.

Details of the intercepts from the ongoing drill program reported to date can be found in the press releases dated July 5, 2021, August 30, 2021, November 3, 2021 and December 6, 2021. The results reported to date represent a total of 3,927 meters of drilling from 11 drill holes.

To date, 17 holes have been drilled into the UD Lode totaling 6,676 meters. For the Trenares Lode, nine holes have been drilled totaling 2,683 meters. The drill program into the UD Lode is continuing and assay results will follow when available.

Outside of the United Downs project area, a third target, Carn Brea has also been drill tested. Carn Brea is located 1.5 kilometers southeast of the South Crofty tin project.

At Carn Brea, eight holes have been drilled totaling 2,504 meters. Drilling has now ceased and assays will follow when available.

Restructuring of the 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 ("SPA") have been replaced with fixed payments linked to pre-agreed project related milestones.

Prior to entering into the Side Letter, the balance of consideration payable to the Sellers pursuant to the SPA was as follows:

- the issuance of 2,000,000 common shares to the Sellers on delivery of a positive feasibility study or commencement of commercial production for the South Crofty tin project, whichever occurs first; and
- a cash and / or common share payment to the Sellers equal to 25% of the Net Present Value ("NPV") of the project upon making a decision to go into production. In the event that the Company's market capitalization is less than the NPV of the project when a production decision is made, the Company will pay the equivalent of 25% of its market value to the Sellers and the balance (between the 25% of market value and 25% of the NPV of the project) will be paid out as a 5% net profits interest from production.

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

- the issuance of 7,000,000 common shares to the Sellers ("Closing Shares") immediately upon receipt of shareholder and applicable regulatory approval (issued October 29, 2021 at a value of $1,750,000 in accordance with IFRS pursuant to the satisfaction of this commitment);
- in addition to the 7,000,000 Closing Shares, a total of US$9,750,000 to be paid in common shares (the "Milestone Shares") as certain milestones are reached. The Milestone Shares will be as follows:
  - US$4,750,000 to be paid in common shares upon closing of either the financing for the dewatering of the mine at the South Crofty tin project, and / or any interim financings (up to 10% of the gross proceeds of such interim financings). This payment is expected to be settled by the end of May 2022 subject to receipt of shareholder and TSX-V approvals and closing of the conditional financing as noted below; and
  - US$5,000,000 to be paid in common shares upon making a decision to proceed with the development and / or construction of a mine either at the South Crofty tin project or at the United Downs property.

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

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

Strategic investment by Vision Blue Resources

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

A summary of the Offering is described below. Further details can be found in the press release dated March 28, 2022.

The Offering is being structured through a unit offering comprising one common share at £0.18 ($0.30 for Canadian investors) and a warrant to purchase one common share priced at £0.27 ($0.45 for Canadian investors) for a period of 36 months from the closing date of the Offering. A total of 225,000,000 units are expected to be issued, comprising around 44.0% of the issued share capital as enlarged by the Offering, excluding the effect of the issuance of the Milestone Shares as described above. VBR is expected to hold 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 will retain the following rights, among others, subject to certain terms and conditions:

- For so long as its shareholding in the Company are 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");
  - 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 will enter into a Relationship Agreement with the Company and SP Angel, 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 is subject to receipt of TSX-V and shareholder approvals. Completion is expected by the end of May 2022.

As described above, the Company expects to issue to the Sellers, on or about the closing of the Offering, certain Milestone Shares with an aggregate value of US$4,750,000 at the offering price of the financing (converted into US dollars at the exchange rate on the fifth business day before the date of the issue), subject to receipt of approval of the TSX-V.

Appointment of new director

On October 13, 2021, Mr. Stephen Gatley was appointed to the Board as an independent non-executive director. Mr. Gatley is based in the UK and has previously served as a non-executive director of Union Resources Ltd. and Sunridge Gold Corp. He has also been a director of numerous Lundin Mining Corp subsidiary companies and remains as a director of their Portuguese subsidiary, Somincor S.A.

Mr. Gatley is a mining engineer and graduate of the Royal School of Mines, London. He spent the early part of his career working in the Cornish tin industry at both Wheal Jane and South Crofty mines and was the General Manager at South Crofty at the time of its closure in 1998. He also worked for Rio Tinto plc in senior positions at underground base metal mines in both Europe and South America, prior to joining Lundin Mining Corp where he served as Vice President Technical Services from 2012 to 2021.

Next steps

As described above, subject to receipt of regulatory and shareholder approvals of the Offering which was announced in March 2022, the gross proceeds raised from this Offering will be used to advance the South Crofty tin project to a potential construction decision within 30 months from 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.

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

- Construct the WTP within six months and thereafter complete the dewatering of the mine within 18 months;
- Complete an underground drill program which is expected to commence in June 2022 in order to delineate a Measured and Indicated Mineral Resource and increase the Indicated and Inferred Mineral Resource once access to the underground workings is obtained;
- Complete a Feasibility Study using all reasonable commercial efforts on or before 31 December 2024;
- Commence basic and detailed engineering studies, construction of the processing plant, refurbishment of underground facilities and other on-site early works; and
- Evaluate downstream beneficiation opportunities in the UK and the rest of Europe.

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, 2022 and 2021

	Years ended	
	January 31, 2022	**January 31, 2021**
(Expressed in Canadian dollars)		
Total operating expenses	**3,007,748**	1,986,727
Loss for the year	**2,911,140**	1,598,400
Net cash used in operating activities	**3,085,862**	1,264,568
Net cash used in investing activities	**3,988,978**	1,646,685
Net cash provided by financing activities	**13,963,043**	1,970,752
Cash at end of the financial year	**6,922,704**	353,601

- Increase in operating expenses impacted by $368,325 of costs relating to AIM listing not eligible for capitalization;
- Higher operating expenses incurred more generally relating to AIM listing, media/investor activities and corporate initiatives, offset by reduction in costs arising from closure of Vancouver office in April 2021;
- Unrealized gain of $445,703 arising from increased valuation of Company's holding in Cornish Lithium based on allotment price following its fundraising completed in December 2021;
- Costs of $2,108,368 and $419,078, capitalized in connection with the ongoing exploration program at United Downs and Carn Brea, respectively (excluding capitalized depreciation and other non-cash items); and
- Gross proceeds raised from AIM listing of $14.4 million (£8.2 million) with share issue costs of $1.5 million.

Commentary for the year ended January 31, 2022

During the year ended January 31, 2022 (the "Current Year"), the Company recorded a loss of $2,911,140 as compared to a loss of $1,598,400 for the year ended January 31, 2021 (the "Comparative Year"). Comprehensive loss for the Current Year totaled $3,324,291 ($0.01 loss per share) as compared to comprehensive loss of $1,509,368 ($0.01 loss per share) in the Comparative Year.

The Company recognized a foreign currency translation loss of $413,151 (Comparative Year – gain of $89,032) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Year, expenses totaled $3,007,748 as compared to expenses of $1,986,727 in the Comparative Year. This increase is mainly attributable to higher professional fees, advertising and promotion expenditure, regulatory and filing fees, corporate remuneration, offset by lower accretion expense, depreciation and share-based compensation expense.

Advertising and promotion expense (Current Year - $372,910; Comparative Year - $134,790) was higher due to an increase in travel related expenditure and more public and investor relation activities in the UK. Fees related to public and investor relations in the UK were higher as a consequence of the AIM listing during the Current Year and enhanced publicity for the Company's activities in Cornwall. This expense category also includes the travel expenditure of the Company's executives relating to the continued development of the Company's mineral properties in Cornwall and meetings with investors, advisers and government representatives in the UK. In the Comparative Year, travel expenditure was significantly curtailed due to the COVID-19 pandemic, but since the AIM listing, travel costs have increased. Other costs in this expense category include costs relating to investor relation activities in North America.

Professional fees (Current Year - $1,027,481; Comparative Year - $305,633) include accounting and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees increased mainly due to the financial advisory fees relating to preparatory work for the AIM listing which were not eligible for capitalization and also recurring fees payable to the joint brokers and nominated adviser in the UK pursuant to the Company's listing on AIM. There were also higher legal fees incurred in respect of various corporate initiatives undertaken in the Current Year, including the restructuring of the outstanding deferred consideration payable in respect of the acquisition of the Cornwall mineral properties, as noted above, and preparation for the annual general meeting where a number of amendments to the Company's by-laws were proposed to help reflect certain market practices in Canada and the UK.

Salaries, directors' fees and benefits expense (Current Year - $1,137,506; Comparative Year - $702,758) rose as the Company's activity levels increased as compared to the Comparative Year with the result that compensation for the Company's executives was adjusted accordingly. Bonuses were also awarded to the Company's executives in respect of the successful completion of the 'proof of concept' drill program during 2020 and the Company's successful fundraising efforts. In addition, fees payable to the chairman and other non-executive directors became payable after the Company listed on AIM whereas previously compensation to these directors was through the award of stock options.

Share-based compensation expense (Current Year - $80,554; Comparative Year - $304,204) decreased due to the award of 5,150,000 stock options to directors and senior management on August 19, 2020 which were fully vested twelve months thereafter. The share-based compensation expense was the estimated fair value of the awarded stock options. The options have an exercise price of 10 cents per share and are valid for a five year period expiring on August 19, 2025. The options had a 12 month vesting period, with 20% vesting immediately and 20% vesting on a three monthly basis thereafter.

Insurance expense (Current Year - $95,918; Comparative Year - $79,270) increased as the cost of arranging D&O and liability policies was higher on account of competitive pressures in the insurance market. Also, a higher coverage level for the D&O policy was arranged following the AIM listing.

Office, miscellaneous and rent (Current Year - $81,533; Comparative Year - $36,708) increased partly due to lower income receivable from sub-lease agreements with tenants within the Company's office located in Vancouver. With the expiry of the lease at the end of April 2021, the Company's office in Vancouver closed. Additional costs were incurred during the Current Year to close the office and to transition the Company's IT systems to the UK. Other costs in this category include the Company's membership fees of the International Tin Association and the Critical Minerals Association. Sponsorship costs for an investment conference held in Cornwall and more generally, support for various sporting and charitable activities arranged in communities located in close proximity to the Company's mineral properties in Cornwall are also included in this category.

Regulatory and filing fees (Current Year - $129,633; Comparative Year - $30,567) increased due to the fee associated with the Company's admission to listing on AIM incurred in February 2021 which was not eligible for capitalization, and recurring AIM listing fees being incurred thereafter. Also included in this expense category is the annual sustaining fee payable to the TSX-V, as well as the TSX-V filing fees associated with the restructuring of the deferred consideration payable in respect of the acquisition of the Cornwall mineral properties. With increased levels of trading in the Company's common shares across two stock exchanges, higher transfer agent fees were also payable.

Accretion expense (Current Year - $15,764; Comparative Year - $292,076) relates to the unwinding of the convertible note with Osisko for $7.17 million that closed on January 26, 2018. Total accretion for the convertible note was $43,527 (Comparative Year - $783,038), of which $15,764 has been expensed in the Current Year (Comparative Year - $292,076) and $27,763 has been capitalized to property, plant and equipment (Comparative Year - $490,962). 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 - $25,507; Comparative Year - $87,034) decreased due to a larger depreciation charge relating to the Vancouver office in the Comparative Year, the lease of which expired at the end of April 2021. There were no new significant 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 decreased (Current Year - $39,560; Comparative Year - $51,004) as the depreciable asset base at South Crofty is reducing on account of the increasing age of property, plant and equipment at the mine site.

Other operating expenses incurred during the Current Year include the finance cost relating to the unwinding of the discount on the lease liability recognized as a consequence of IFRS 16 (Current Year – $3,895; Comparative Year – $9,717), and generative exploration costs of $37,047 (Comparative Year - $3,970) relating to rental expenditure for the Sleitat and Nickel King properties in Alaska, U.S.A. and Northwest Territories, Canada, respectively. In the Comparative Year, the rental expenditure for these mineral properties was either deferred or reduced on account of the COVID-19 pandemic.

Interest income (Current Year - $1,099; Comparative Year - $4,537) was lower reflecting reduced interest rates being received on the Company's cash balance across the Current Year.

The foreign exchange loss (Current Year - $346,883; Comparative Year - $8,007) has primarily arisen due to the translation impact of the appreciation of the Canadian dollar against the British pound since February 2021 when most of the Company's cash balance was raised in British pounds through the AIM listing.

The loss on the disposal of property, plant and equipment (Current Year - $3,074; Comparative Year - $Nil) arose as the Company disposed of its server in the Vancouver office upon expiry of the lease and scrapped certain assets at South Crofty which were no longer operational.

During the Current Year, an unrealized gain on marketable securities of $445,703 was recognized (Comparative Year – $391,797). This gain is attributable to the increase in fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2021, using the allotment price of common shares issued by Cornish Lithium following its fundraising completed in December 2021. The realized loss arising during the Current Year (Current Year - $237; Comparative Year - $Nil) is attributable to the disposal of the Company's residual holding in a TSX-V listed company.

Commentary for the three months ended January 31, 2022

During the three months ended January 31, 2022 (the "Current Quarter"), the Company recorded a loss of $858,737 as compared to a loss of $104,401 for the three months ended January 31, 2021 (the "Comparative Quarter"). The Company recorded a comprehensive loss of $950,389 ($0.00 loss per share) in the Current Quarter as compared to comprehensive profit of $119,918 ($0.00 profit per share) in the Comparative Quarter.

The Company recognized a foreign currency translation loss of $91,652 (Comparative Quarter – gain of $224,319) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Quarter, expenses totaled $610,899 as compared to expenses of $535,107 in the Comparative Quarter. This increase is mainly attributable to higher professional fees, advertising and promotion expenditure, corporate remuneration offset by lower accretion expense and share-based compensation expense.

Advertising and promotion expense (Current Quarter - $112,080; Comparative Quarter - $27,612) was higher due to an increase in travel related expenditure and more public and investor relation activities. These activities increased as a consequence of the AIM listing in February 2021 and was attenuated by a curtailment of travel in the Comparative Quarter due to the COVID-19 pandemic.

Professional fees (Current Quarter - $185,298; Comparative Quarter - $113,255) increased mainly due to legal fees incurred in the Comparative Quarter being capitalized to the NSR liability whereas in the Current Quarter legal fees have been expensed in full. Offsetting this impact, a higher level of financial advisory fees was incurred in the Comparative Quarter in preparation for the AIM listing.

Salaries, directors' fees and benefits expense (Current Quarter - $238,679; Comparative Quarter - $178,319) increased due to higher compensation paid to the Company's executives as the Company's activity levels rose. In addition, fees were payable to the chairman and other non-executive directors after the Company listed on AIM whereas previously compensation to these directors was through the award of stock options.

Share-based compensation expense (Current Quarter - $Nil; Comparative Quarter - $73,954) decreased due to the award of stock options in August 2020 that had fully vested by the beginning of the Current Quarter as compared to the share-based compensation expense for these stock options being recognized in the Comparative Quarter.

Insurance expense (Current Quarter - $29,823; Comparative Quarter - $20,839) increased as the cost of arranging the Company's insurance policies was higher on account of competitive pressures in the insurance market. Also, there was a higher coverage level for the D&O policy which was renewed in November 2021.

Office, miscellaneous and rent (Current Quarter - $20,651; Comparative Quarter - $7,481) increased mainly due to lower income receivable from sub-lease agreements with tenants within the Company's office located in Vancouver, the Company's membership of the Critical Minerals Association which commenced in April 2021 and higher sponsorship fees in Cornwall.

Regulatory and filing fees (Current Quarter - $15,181; Comparative Quarter - $5,087) increased due to higher transfer agent fees being charged in the Current Quarter due to increased trading in the Company's common shares across two stock exchanges.

Accretion expense (Current Quarter - $Nil; Comparative Quarter - $83,871) was not incurred in the Current Quarter as Osisko exercised its royalty option on February 19, 2021 with the consequence that accretion was no longer incurred after this date. In the Comparative Quarter, total accretion for the convertible note financing was $206,612, of which $122,741 had been capitalized to property, plant and equipment and $83,871 was expensed.

Depreciation (Current Quarter - $985; Comparative Quarter - $19,899) decreased as there were no new additions of property, plant and equipment during the Current Quarter for which depreciation is charged, whereas in the Comparative Quarter, the Company incurred a depreciation charge relating to the Vancouver office.

Generative exploration costs (Current Quarter - $8,202; Comparative Quarter - $241) increased as rental expenditure for the Company's mineral properties in North America was either deferred or reduced in the Comparative Quarter on account of the COVID-19 pandemic.

During the Current Quarter, an unrealized loss on marketable securities of $287,417 was recognized (Comparative Quarter – unrealized gain of $438,402). The unrealized loss in the Current Quarter was attributable to the lower fair value of the Company's holding in Cornish Lithium compared to its fair value as at October 31, 2021. The fair value of the Company's holding in Cornish Lithium is based on the most recently completed fundraise. The allotment price of common shares issued in the December 2021 fundraise was lower compared to the previous fundraise which completed in July 2021.

Assets and liabilities

Total assets increased to $36,088,025 as at January 31, 2022 as compared to total assets of $18,179,806 as at January 31, 2021. The increase in the Company's asset base is mainly attributable to the ongoing exploration program at United Downs and the recognition of a commitment to issue shares to the Sellers, as described above, with the resulting increase in exploration and evaluation assets of the Company's mineral properties in Cornwall. The other significant asset, being property, plant and equipment, remained broadly consistent from January 31, 2021.

The Company's cash balance increased from $353,601 as at January 31, 2021 to $6,922,704 as at January 31, 2022 principally as a result of proceeds received from the AIM listing, which more than offset the ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities increased from $1,004,307 as at January 31, 2021 to $1,574,506 at January 31, 2022, most of which represents the Company's holding in Cornish Lithium. The increase in the value of marketable securities from January 31, 2021 is attributable to the higher fair value of the Company's holding in Cornish Lithium following its fundraising completed in December 2021.

Receivables increased to $107,230 as at January 31, 2022 from $23,644 as at January 31, 2021. 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 arising from the ongoing exploration program.

Prepaid expenses increased to $231,933 as at January 31, 2022 as compared to $41,691 as at January 31, 2021. Prepaid expenses increased due to the upfront payment of the Company's insurance policies which were renewed in November 2021, as well as expenses relating to the Company's listing on AIM and ongoing exploration program that are prepaid.

Deferred financing fees decreased to $Nil as at January 31, 2022 compared to $688,839 as at January 31, 2021. These fees consisted primarily of legal, accounting and related professional fees incurred in connection with the listing of the Company's common shares and a concurrent financing on AIM. As of February 16, 2021, the Company completed its listing and concurrent financing on AIM. The deferred financing fees have therefore been applied against the gross proceeds raised from the listing as of this date.

Deferred costs on the conversion of the royalty option decreased to $Nil as at January 31, 2022 as compared to $151,037 as at January 31, 2021. These costs relate to legal fees incurred on the conversion of the Osisko note into two royalty agreements. As at the effective date of this transaction of February 19, 2021, these legal expenses have been netted against the carrying value of the NSR liability resulting from the conversion.

Deposits increased to $42,448 as at January 31, 2022, as compared to $36,976 as at January 31, 2021 due to a deposit being paid to the main contractor for the United Downs drill program. Also, included in this balance is a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment ("PPE") assets increased to $6,437,175 as at January 31, 2022 from $6,371,852 as at January 31, 2021, with the increase arising from new additions of $234,371, which include investigatory water treatment trials for the WTP, new perimeter fencing at the mine site and upgraded IT equipment. There was a foreign currency translation loss for PPE of $128,670 due to the appreciation of the Canadian dollar against the British pound since January 31, 2021. The most significant item within PPE is the capitalization of the WTP at $4,497,352 for which design and construction activities have commenced. The WTP is treated as work in progress and is therefore not depreciated.

Also capitalized within PPE are right-to-use assets which at the end of the period represented use of a motor vehicle in Cornwall after the lease for the Vancouver office expired. During the Current Year, borrowing costs of $27,763 were capitalized to the WTP and land, as approximately half the proceeds from the convertible note were used towards the initial design and construction of the WTP and purchase of the land surrounding New Cook's Kitchen Shaft. After accretion was no longer incurred after the conversion of the note, no further borrowing costs have been capitalized. Depreciation amounted to $65,067, of which $25,507 has been expensed relating to assets that are used for corporate activities, with the balance of $39,560 being capitalized to exploration and evaluation assets relating to assets located at the South Crofty mine.

Exploration and evaluation assets of $20,772,029 as at January 31, 2022, representing 58% of total assets, have increased from $9,507,859 as at January 31, 2021. The capitalization of $11,723,286 in costs during the Current Year was partially offset by the reduction in carrying value arising from a foreign currency translation loss of $329,864 due to the appreciation of the Canadian dollar against the British pound since January 31, 2021 and a recovery of $129,252 relating to the receipt of Cornish Lithium shares in January 2022 under the terms of the Company's exploration agreement. A significant non-cash addition to exploration and evaluation assets during the Current Year was $7,875,002 in acquisition costs pursuant to the restructuring of the deferred consideration which resulted in the recognition of a commitment to issue shares to the Sellers, as described above.

Capitalized costs relate to the Company's mineral properties in Cornwall, and include general expenditure at the South Crofty mine, such as salaries, utility expenses, lease payments and general maintenance expenses of the mine. In addition, costs of $2,108,368 were capitalized in connection with the ongoing exploration program at United Downs during the Current Year (excluding capitalized depreciation and foreign exchange movements), most of which related to drilling costs. Costs of $419,078 were also incurred for the exploration program at Carn Brea during the Current Year.

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

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

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

Current liabilities increased to $6,658,907 as at January 31, 2022 from $967,513 as at January 31, 2021 due to the recognition of a commitment to issue shares for $6,041,525. Although the deferred consideration will be settled through the issuance of common shares, it meets the definition of a financial liability as the outstanding payments are fixed in US dollar terms. Accordingly, the commitment to issue shares is carried at fair value and classified as current since it is expected the common shares will be issued within twelve months of the balance sheet date.

There was a reduction in accounts payable and accrued liabilities due to the timing of settling contractual obligations, in particular professional fees relating to the AIM listing and settlement of the final installment relating to the delivery of the dewatering pumps.

Total long-term liabilities decreased to $8,717,997 as at January 31, 2022 from $8,880,317 as at January 31, 2021. The NSR liability is recognized within long-term liabilities after the conversion of the note held by Osisko on February 19, 2021. As at the date of conversion of the note, the NSR liability was initially recorded at fair value, net of transaction costs. The fair value was determined as the aggregate of the carrying value of the debt component of the note at the date of conversion and the carrying value of the royalty component which had remained unchanged since inception of the note in January 2018. 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.

		Year ended	
	January 31, 2022	**January 31, 2021**	**January 31, 2020**
	$	**$**	**$**
General and administrative expenses, net	**3,007,748**	1,986,727	1,775,705
Total gain on marketable securities	**445,703**	391,797	194,363
Loss for the year:			
- Before taxes	**(2,911,140)**	(1,598,400)	(4,559,178)
- After taxes	**(2,911,140)**	(1,598,400)	(4,559,178)
Comprehensive loss for the year:			
- In total	**(3,324,291)**	(1,509,368)	(4,409,182)
- Basic and diluted loss per share	**(0.01)**	(0.01)	(0.05)
Total assets	**36,088,025**	18,179,806	15,863,334
Property, plant and equipment	**6,437,175**	6,371,852	5,966,727
Exploration and evaluation assets	**20,772,029**	9,507,859	7,928,688
Total long-term financial liabilities	**8,717,997**	8,880,317	8,117,592

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

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

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

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

Movements in total assets during the years presented are due to the proceeds raising from financing activities being used for the development of the Company's mineral properties in Cornwall, including initial expenditure on the WTP, the 'proof of concept' drill program at South Crofty and the exploration program at United Downs, less any write offs and impairments recognized against other assets. 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 and its subsequent conversion to a NSR liability in February 2021 and the estimated present value of the $1.5 million line of credit from Osisko which was settled in September 2020 .

Summary of quarterly results

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

Quarter ending	Interest income $	Income (loss) from continued operations $	Basic and Diluted Loss per share from loss $
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)
January 31, 2021	20	(104,401)	0.00
October 31, 2020	199	(704,523)	(0.01)
July 31, 2020	1,059	(390,585)	0.00
April 30, 2020	3,259	(398,893)	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 preparatory work for fundraising and other financing initiatives, with the timing of such work impacting the quarterly results.

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

Quarterly results are also impacted by 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, 2022 was $2,177,466 as compared to working capital of $1,295,606 as at January 31, 2021. Cash increased by $6,569,103 in the Current Year (Comparative Year – decreased by $951,652) to $6,922,704 as at January 31, 2022. A foreign currency translation loss of $319,100 (Comparative Year – $11,151) arose as the Canadian dollar has appreciated since February 2021 when the proceeds from the AIM listing were received which were substantially denominated in British pounds.

Net cash used in operations during the Current Year was $3,085,862 (Comparative Year - $1,264,568). Changes in working capital items during the Current Year included an increase in receivables of $83,586, an increase in prepaid expenses of $137,354 and an increase in payables and accrued liabilities of $16,007.

During the Current Year, the Company used $3,988,978 (Comparative Year – $1,646,685) for investing activities, including $303,071 for the acquisition of PPE, mostly reflecting settlement of the final installment relating to the delivery of the dewatering pumps, and $3,683,498 for expenditure which was capitalized to exploration and evaluation assets, the most significant component of which was incurred in connection with the ongoing exploration program at United Downs. In the Comparative Year, $315,779 was incurred on PPE and $1,330,906 was incurred on exploration and evaluation assets.

Net cash arising from financing activities was $13,963,043 in the Current Year (Comparative Year –$1,970,752). Pursuant to the AIM listing, the Company received $14,244,206 in gross subscriptions and settled $1,162,613 in share issue costs. Overall proceeds from the AIM listing were $14,434,108, of which $189,902 had been received in advance by January 31, 2021. Total share issue costs amounted to $1,506,824. After settlement of all share issue costs, the net proceeds from the AIM listing amounted to $12,927,284.

During the Current Year, 9,125,000 warrants and 2,580,000 options were exercised for proceeds of $1,135,500 (Comparative Year - $1,134,500). The Company also made lease payments of $27,760 (Comparative Year - $88,338) and settled transaction costs arising on the conversion of the note of $226,290 (Comparative Year - $49,174). Total transaction costs associated with the conversion of the note amounted to $275,464.

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.

As at January 31, 2022, the Company had current assets of $8,836,373 to settle current liabilities of $6,658,907. Although the Company has positive working capital of $2,177,466 as at January 31, 2022, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure, including further exploration work, if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

The Company's consolidated financial statements for the year ended January 31, 2022 have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company and further exploration and development of its mineral properties is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

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

Foreign currency risk

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

For the year ended January 31, 2022, with other variables unchanged, a 5% increase or decrease of the British pound and the US dollar against the Canadian dollar would increase or decrease financial assets and liabilities by approximately $379,000.

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 minimal as cash is placed in deposits held with Canadian and British financial institutions that generate low investment returns. Furthermore, the Company has no financial liabilities subject to variable interest rates.

Equity market risk

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

Commodity price risk

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

Outstanding share data

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

As at May 17, 2022, there were 285,850,157 common shares issued and outstanding.

As at May 17, 2022, the Company had the following stock options and warrants outstanding:

	Outstanding		Exercise price	Exercisable	Expiry date
Options	1,400,000	$	0.20	1,400,000	November 3, 2022
	5,150,000		0.10	5,150,000	August 19, 2025
Warrants	2,072,222	$	0.10	2,072,222	November 9, 2022
	1,450,000		0.07	1,450,000	February 3, 2023

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

During the Current Year, the Company recorded $80,554 (Comparative Year - $304,204) 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, 2022 and 2021:

Operating expenses

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

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

Exercise of stock options

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

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

Exercise of warrants

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

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

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

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

Participation in financings

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

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

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

	Year ended			
	January 31, 2022		January 31, 2021	
Salaries, bonuses and benefits[1]	**$**	**890,248**	$	571,001
Directors' fees (payable to non-executive directors)		**111,110**		-
Share-based payments[2]		**80,554**		304,204
Total	**$**	**1,081,912**	$	875,205

1 Allocated $873,398 (2021 - $563,750) to salaries and benefits and $16,850 (2021 - $7,251) 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 relating to the construction of the water treatment plant for $240,000. The timing of payments relating to these commitments is uncertain, and would depend on the progress of construction.

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

- an advance payment of £84,000 per annum (equivalent to $143,573 at the period end GBP/CAD rate) during periods when there is no production from the respective owner's mineral rights ("Advance Royalty Payments"), or
- a NSR payable for a minimum of £84,000 on ore extracted from property that falls within the mineral rights held by the 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, 2022 and 2021.

Capital management

A description of the Company's capital management can be found in note 16 of the audited consolidated financial statements for the year ended January 31, 2022 and 2021.

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, 2022 and 2021.

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, 2022 and 2021 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 Annual MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to: statements with respect to sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's 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 obtaining the required consents and permissions for further development of the South Crofty tin project and other Cornwall mineral properties, statements in respect of the Company's technical reports and the data, findings, and assumptions in respect thereof, planned exploration, 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, including the strategic investment by VBR and the issuance of the units, the amounts expected to be invested, the timeline of certain events in respect thereof, expected security holdings of VBR in the Company following closing of the Offering, the expected participation by certain directors and officers of the Company in the Offering, the board nomination rights and other rights expected to be granted to VBR under the Investment Agreement following closing of the Offering, the terms and conditions of the Relationship Agreement to be entered into with VBR, 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 satisfaction of conditions for closing of the Offering, including the potential receipt of TSX-V and shareholder approvals in respect of the Offering, the expected issuance of the Milestone Shares subject to TSX-V approval, 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 the potential inability to maintain its exploration and evaluation assets in good standing, its ability to finance, construct and operate the WTP within the terms of the applicable regulatory requirements and to complete other plans following closing of the Offering, the Company's ability to comply with the terms of its royalty agreements in connection with the NSR on the South Crofty tin project and other Cornwall mineral properties, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the potential success of exploration activities, market forecasts in respect of the tin, copper and lithium markets, the potential benefits to the Company in respect of the development of the South Crofty mine, and any policy shifts at the local and central government levels.

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

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

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

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the UK Pound Sterling, 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 satisfaction of all closing conditions of VBR's subscription and the Offering, 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.