

# CornishMetals

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Tel: 604.668.8355

## MANAGEMENT PROXY CIRCULAR

(As at April 18, 2022, except as indicated)

### IMPORTANT NOTICE

Out of an abundance of caution, to proactively deal with potential issues arising from the unprecedented public health impact of Coronavirus Disease 2019 (“**COVID-19**”), the special meeting (the “**Meeting**”) of Cornish Metals Inc. (the “**Company**”, “**Cornish**”, “**we**” or “**us**”) is scheduled to take place in a virtual-only format conducted via live audio teleconference on Thursday, May 19, 2022 at 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time), or as otherwise adjourned.

As the Meeting will take place in a virtual-only format conducted via live audio teleconference, shareholders of the Company will not be able to attend the Meeting in person and the Company strongly encourages all shareholders who are entitled to vote at the Meeting to do so by proxy or, in the case of Depositary Interest Holders (as defined below), either by completing the Form of Instruction (as defined below) or by voting using the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited (“**Euroclear**” and such system, “**CREST**”) in accordance with the *Uncertificated Securities Regulations 2001* (as amended) of the United Kingdom (the “**CREST Regulations**”) in advance of the Meeting by following the instructions in this Management Proxy Circular and the form of proxy or Form of Instruction, as applicable, or, for those who are entitled to and wish to attend and participate in the Meeting, to carefully follow the procedures described in this Management Proxy Circular to ensure they can attend and participate in the Meeting virtually via live audio teleconference.

### SOLICITATION OF PROXIES

The Company is providing this Management Proxy Circular and a form of proxy in connection with management’s solicitation of proxies for use at the Meeting and at any adjournments thereof. Unless the context otherwise requires, when we refer in this Management Proxy Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. The Company is not relying on the notice-and-access delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting.

### APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose

names are printed in the enclosed form of proxy are officers or directors of the Company (the “**Management Proxyholders**”).

**A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided. A proxyholder need not be a shareholder.**

## **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders (or, in the case of Depository Interest Holders, duly appointed representatives as discussed below under the heading “*Voting Via Live Audio Teleconference at the Virtual Meeting – Virtual Voting Instructions for Non-Registered Shareholders*”) are permitted to vote at the Meeting.** Shares represented by a properly signed proxy will be voted or withheld from voting on each matter referred to in the enclosed Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for, and if the shareholder specifies a choice regarding any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named in the proxy as proxyholder regarding amendments or variations to matters identified in the Notice of Meeting and regarding other matters which may properly come before the Meeting.** At the date of this Management Proxy Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 or Fax 1-866-249-7775, not later than forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays, before the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received thereafter.

## **NON-REGISTERED HOLDERS WHO ARE NOT DEPOSITARY INTEREST HOLDERS**

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders (or, in the case of Depository Interest Holders, duly appointed representatives as discussed below under the heading “*Voting Via Live Audio Teleconference at the Virtual Meeting – Virtual Voting Instructions for Non-Registered Shareholders*”) are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; a bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or a clearing agency such as The

Canadian Depository for Securities Limited (each, a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered holder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those non-registered holders who have objected to disclosing ownership information about themselves to the Company are referred to as “OBOs”.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Management Proxy Circular and the form of proxy, to the Nominees for distribution to non-registered holders. The Company does not intend to pay for Nominees to deliver the Notice of Meeting, this Management Proxy Circular and VIF (as defined below) and any other Meeting materials to OBOs and accordingly, if an OBO's Nominee does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to help ensure that your shares are voted at the Meeting.

Meeting materials sent to non-registered holders who are not Depository Interest Holders and who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “**VIF**”). This form is provided instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered shareholder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF. For more information on how a Depository Interest Holder can vote the common shares represented by their depository interests prior to the Meeting, see “*Depository Interest Holders*” below.

If you, as a non-registered holder who is not a Depository Interest Holder, wish to vote at the Meeting, you should appoint yourself as proxyholder by writing your name in the space provided on the VIF or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting. See “*Voting Via Live Audio Teleconference at the Virtual Meeting*” below for more information.

In either case, the purpose of this procedure is to permit non-registered shareholders who are not Depository Interest Holders to direct the voting of the shares which they beneficially own. If such a non-registered holder, who receives a VIF, wishes to attend the Meeting or have someone else attend on his, her or its behalf, the non-registered shareholder may appoint a legal proxy as set forth in the VIF, which will give the non-registered shareholder or his, her or its Nominee the right to attend and vote at the Meeting. Non-registered shareholders who are not Depository Interest Holders who receive a VIF should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

In addition, in respect of this Meeting, the Company is electing to forward Meeting materials directly to “NOBOs” as permitted under Canadian securities legislation. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name, address

and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

## **DEPOSITARY INTEREST HOLDERS**

Non-registered shareholders who hold their common shares as depositary interests through Computershare Company Nominees Ltd., as depositary (the “**Depositary**” and such non-registered shareholders, “**Depositary Interest Holders**”) are required to follow the following voting instructions.

Depositary Interest Holders can vote the common shares represented by their depositary interests or abstain from voting by completing, signing and returning the enclosed form of instruction (the “**Form of Instruction**”) to the Depositary. To be valid, the Form of Instruction must be filled out, executed (exactly as the Depositary Interest Holder’s name appears on the Form of Instruction), and returned by mail using the enclosed envelope, or by courier or hand delivery to the office of Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom no later than 5:00 p.m. (London time) on May 16, 2022 in order for the Depositary to vote as per the Depositary Interest Holder’s instructions at the Meeting. Alternatively, Depositary Interest Holders may instruct the Depositary how to vote by utilizing the CREST electronic voting service as explained under the following “*CREST Voting Instructions*” heading below.

If Depositary Interest Holders receive requests from underlying non-registered shareholders to participate in the virtual Meeting and vote their common shares in real time at the virtual Meeting, they should refer to the instructions below under “*Voting Via Live Audio Teleconference at the Virtual Meeting – Virtual Voting Instructions for Non-Registered Shareholders*”.

## **CREST VOTING INSTRUCTIONS**

Depositary Interest Holders who hold their depositary interests through CREST may transmit voting instructions for the Meeting or any adjournments thereof through the CREST proxy voting service by using the procedures described in the CREST manual issued by Euroclear from time to time (the “**CREST Manual**”). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for an instruction made using the CREST proxy voting service to be valid, the appropriate CREST message (the “**CREST Voting Instruction**”) must be properly authenticated in accordance with specifications of Euroclear and must contain the information required for such an instruction, as described in the CREST Manual. The CREST Voting Instruction must, in order to be valid, be transmitted so as to be received by the Company’s agent (CREST Participation ID 3RA50) by no later than 5:00 p.m. (London time) on May 16, 2022. The time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST application host) from which the Company’s agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. After this time, any change of CREST Voting Instruction should be communicated to the appointee through other means.

Depository Interest Holders who hold their depository interests through CREST and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest Holder concerned to take (or, if the Depository Interest Holder is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by a particular time. In this connection, Depository Interest Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Voting Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

## **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## **VOTING VIA LIVE AUDIO TELECONFERENCE AT THE VIRTUAL MEETING**

**Please carefully review and follow the voting instructions below based on whether you are a registered shareholder of the Company or a non-registered shareholder of the Company (including Depository Interest Holders).**

### ***Virtual Voting Instructions for Registered Shareholders***

In order to vote during and be permitted to ask questions during the Meeting, registered shareholders and duly appointed proxyholders must pre-register with Chorus Call (telephone voting service provider for the Meeting) via the following link prior to 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed Meeting:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10018778&linkSecurityString=17d076f49a>

After the pre-registration has been completed, such registered shareholders and duly appointed proxyholders will be assigned a unique PIN and dial-in telephone number. It is recommended that you attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

If you are a registered shareholder or duly appointed proxyholder and have been assigned pre-registration details by Chorus Call, you will be able to vote and submit questions during the

Meeting using the assigned teleconference number and PIN. **It is important that you are connected to the teleconference at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. Registered shareholders should note that if they participate and vote on any matter at the virtual Meeting, they will revoke any previously submitted proxy.**

**While this option is available to registered shareholders of the Company, the Company strongly encourages all such registered shareholders to vote by proxy in advance of the Meeting, prior to the proxy cut-off time at 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022, by following the instructions set out in this Management Proxy Circular above rather than voting by telephone during the Meeting.**

For all other shareholders and stakeholders wishing to attend the Meeting by teleconference, but without the ability to vote during the Meeting via live audio teleconference or ask questions from management of the Company during the Meeting, please dial the following toll-free or international toll number approximately five minutes prior to the start of the Meeting and ask the operator to join the Special Meeting of Shareholders of the Company:

Toll-free (Canada/U.S.): 1-800-319-4610

Toll-free (United Kingdom): 0808-101-2791 or

Toll (International): +1-604-638-5340

### ***Virtual Voting Instructions for Non-Registered Shareholders***

Non-registered shareholders (including Depositary Interest Holders) who wish to appoint a person other than the Management Proxyholders (including a non-registered shareholder who wishes to appoint itself as proxyholder or, in the case of a Depositary Interest Holder, as representative), to represent them at the Meeting must: (i) in the case of non-registered shareholders who are not Depositary Interest Holders, submit their form of proxy or VIF appointing such proxyholder and register that proxyholder online, as described below; or (ii) in the case of Depositary Interest Holders, notify the Depositary to obtain a letter of representation appointing such representative and pre-register that representative online, as described below. Pre-registering your proxyholder or representative, as applicable, is an additional step to be completed after you have submitted your form of proxy or VIF or obtained a letter of representation, as applicable. Failure to pre-register the proxyholder with Chorus Call will result in the proxyholder or representative, as applicable, not receiving a PIN to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting but will not be able to vote during or ask questions during the Meeting via live audio teleconference.

Non-registered shareholders (including Depositary Interest Holders) wishing to attend and to vote at the Meeting via live audio teleconference or to appoint a person (who need not be a shareholder of the Company) to attend and act for him, her or it, should instead follow these instructions:

1. **Appoint a proxyholder or representative, as applicable, as follows:**
  - a. **If you are a non-registered shareholder (other than a Depositary Interest Holder), submit your form of proxy or VIF:** If you are a non-registered shareholder other than a Depositary Interest Holder, to appoint a proxyholder, insert such person's name in the blank space provided in form of proxy or VIF and follow the instructions for submitting such form of proxy or VIF.

- b. **If you are a Depository Interest Holder, obtain a letter of representation:** If you are a Depository Interest Holder, to obtain a letter of representation, you must notify the Depository at the following email address: [!!UKALLDITeam2@computershare.co.uk](mailto:!!UKALLDITeam2@computershare.co.uk) and setting out your CREST account number, CREST ID, the number of shares held as depository interests through the Depository and the name and address of the representative to be appointed, prior to 5:00 p.m. (London time) on May 16, 2022.

In either case, this proxyholder or representative appointment must be completed prior to pre-registering such proxyholder or representative, as applicable.

2. **Pre-register your proxyholder or representative, as applicable, with Chorus Call:** Duly appointed proxyholders or representatives, as applicable, who wish to vote during and ask questions during the Meeting instead of voting in advance will be required to pre-register with Chorus Call via the following link prior to 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed Meeting:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10018778&linkSecurityString=17d076f49a>

Those who pre-register and provide valid control numbers or shareholder reference numbers, as applicable, that are subsequently verified by the scrutineer will be entitled to vote by telephone during the meeting (and ask questions during the Meeting). In order to vote, registrants will need to dial in to the phone number and PIN provided in their pre-registration confirmation e-mail and calendar booking. Voting will not be supported via the Internet.

**For United States non-registered shareholders only:** To attend and vote at the Meeting via live audio teleconference, you must first obtain a valid legal proxy from your broker, bank or other agent and then pre-register in advance to attend the Meeting. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then pre-register to attend the Meeting, you must follow these instructions:

1. **Submit your Legal Proxy:** Submit a copy of your legal proxy to Computershare Investor Services Inc. as noted under “*Completion and Return of Proxy*” above or at the following e-mail address: [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com), prior to 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed Meeting.
2. **Pre-register your proxyholder with Chorus Call:** Duly appointed proxyholders who wish to vote during and ask questions during the Meeting instead of voting in advance will be required to pre-register with Chorus Call via the following link prior to 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed Meeting:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10018778&linkSecurityString=17d076f49a>

It is recommended that duly appointed proxyholders and representatives attempt to connect at least ten minutes prior to the scheduled start time of the Meeting. **Duly appointed proxyholders and representatives must be connected to the teleconference at all times during the Meeting in order to vote when balloting commences. It is the responsibility of duly appointed proxyholders and representatives to ensure connectivity for the duration of the Meeting.**

**While this option is available to non-registered shareholders (including Depository Interest Holders), the Company strongly encourages all such non-registered shareholders to vote by proxy and/or by submitting a VIF, Form of Instruction or CREST Voting Instruction, as applicable in advance of the Meeting, prior to the cut-off time at: (i) 9:00 a.m. (Vancouver time) and 5:00 p.m. (London time) on May 17, 2022; or (ii) in the case of a Form of Instruction or CREST Voting Instruction, prior to 5:00 p.m. (London time) on May 16, 2022, by following the instructions set out in this Management Proxy Circular above rather than voting by telephone during the Meeting.**

For all other shareholders and stakeholders wishing to attend the Meeting by teleconference, but without the ability to vote during the Meeting via live audio teleconference or ask questions from management of the Company during the Meeting, please dial the following toll-free or international toll number approximately five minutes prior to the start of the Meeting and ask the operator to join the Special Meeting of Shareholders of the Company:

Toll-free (Canada/U.S.): 1-800-319-4610

Toll-free (United Kingdom): 0808-101-2791 or

Toll (International): +1-604-638-5340

## SHAREHOLDER QUESTIONS

Shareholders who have questions or need assistance with respect to the pre-registration process as set forth in this Management Proxy Circular or accessing or attending the virtual Meeting should contact [canada@choruscall.com](mailto:canada@choruscall.com), Attention: Gaylene Van Dusen.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the “**shares**” or “**common shares**”), of which 285,850,157 shares are issued and outstanding as of April 12, 2022. Persons who are shareholders of record at the close of business on April 12, 2022 (the “**Record Date**”) will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to all shares of the Company, except as disclosed in the table below:

<b>Name</b>	<b>Number of Shares</b>	<b>% of Issued Shares<sup>(1)</sup></b>
Osisko Development Corp. (“ <b>Osisko Development</b> ”)	53,833,333 <sup>(2)</sup>	18.83%



- (1) Based on the 285,850,157 issued and outstanding common shares of the Company as of the Record Date.
- (2) Held indirectly through Barkerville Gold Mines Ltd., a wholly-owned subsidiary of Osisko Development. Osisko Development is controlled by Osisko Gold Royalties Ltd. (“**Osisko Gold**”).

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Management Proxy Circular may contain “forward-looking information” or “forward-looking statements” within the meaning of Canadian securities legislation and U.S. securities legislation (collectively, “**forward-looking statements**”). These forward-looking statements are made as of the date of this Management Proxy Circular 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 in connection with the Offering, (as defined below), including the expected investors and the terms, timing and completion in respect thereof; the requisite shareholder approvals to be obtained at the Meeting; the approval of the TSX Venture Exchange in respect of the transactions contemplated by the Offering; the anticipated use of proceeds from the Offering; anticipated benefits of the creation of Vision Blue (as defined below) as a new “control person” of the Company; the impact of the Offering on the Company, including the expected securityholdings of Vision Blue and the board nomination rights and other rights to be granted to Vision Blue pursuant to the Investment Agreement (as defined below) following closing of the Offering; the anticipated entering into by the relevant parties of the Vision Blue Lock-In Agreement (as defined below), the Directors’ Lock-In Agreement (as defined below) and the terms thereof; the anticipated entering into by the relevant parties of the Relationship Agreement (as defined below) and the terms thereof; the terms of any undertakings pertaining to the Offering; and the future success of the Company.

These forward-looking statements include, among others, 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, the risks outlined in the interim management's discussion and analysis of the Company for the nine months ended October 31, 2021 (the "Interim MD&A"), as well as the following risks, among other things: risks related to completion of the Offering, including risks related to the satisfaction of all closing conditions of the Vision Blue Subscription (as defined below) and the Offering; risks related to the dilution of the Company's shareholders as a result of the Offering; risks related to Vision Blue's significant influence over the Company upon completion of the Offering; risks related to the potential impacts of Vision Blue's significant interest in the Company on the liquidity of the shares following closing of the Offering; risks related to restrictions on certain negative covenants agreed to by the Company under the Investment Agreement; risks related to 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 Vision Blue may not maintain its equity interest in the Company following closing of the Offering, subject to the terms and conditions of the Vision Blue Lock-In Agreement (as defined below); risks related to receipt of regulatory approvals, risk of non-compliance with planning and environmental permissions / licences, risks related to general economic and market conditions; risks related to the COVID-19 global pandemic and any variants of COVID-19 which may arise; risks related to the availability of financing; the timing and content of upcoming work programs; actual results of proposed exploration activities; possible variations in mineral resources or grade; 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; and changes in national and local government regulation of mining operations, tax rules and regulations. The Company cautions that the foregoing 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.

In light of the significant uncertainties inherent in forward-looking statements, there can be no assurance that the forward-looking statements contained in this Management Proxy Circular will in fact occur, and the inclusion of such forward-looking statements in this Management Proxy Circular should not be construed as a representation by the Company or any other person that our predicted or expected outcomes will be achieved. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in these statements. The reader should carefully consider the risks disclosed in this Management Proxy Circular and in the Interim MD&A before deciding how to vote.

## **CURRENCY AND EXCHANGE RATES**

Unless otherwise indicated herein, references to dollar amounts and "\$" or "C\$" are to Canadian dollars, references to "£" or "GBP" are to the British pound sterling and references to "US\$" or "US dollars" are to United States dollars.

**All \$ equivalents of the amounts being raised pursuant to the Offering as referred to in this Management Proxy Circular have been calculated using the Bank of Canada's daily exchange rate for March 25, 2022 of \$1.6494/£.**

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information in respect of the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Equity compensation plans approved by securityholders	6,550,000 <sup>(2)</sup>	\$0.12 <sup>(2)</sup>	22,035,016 <sup>(2)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	6,550,000	\$0.12	22,035,016

<sup>(1)</sup> Based on the 285,850,157 issued and outstanding common shares of the Company as at January 31, 2022.

<sup>(2)</sup> The Company has a "10% rolling" stock option plan (the "**Plan**"), pursuant to which the maximum aggregate number of common shares issuable pursuant to options awarded under the Plan, together with the number of the Company's common shares issuable under outstanding options granted otherwise than under the Plan, may not exceed 10% of the issued and outstanding common shares from time to time.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below or herein, no informed person and no associate or affiliate of such person has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction, which in either such case has materially affected or would materially affect the Company or any of the Company's subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, the Company's voting securities or who exercises control or direction over the Company's voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and

- (d) the Company, if it has purchased, redeemed or otherwise acquired any of the Company's securities, so long as the Company holds any of its securities.

In connection with the admission of the Company's common shares to trading on the AIM market operated by the London Stock Exchange ("**AIM**"), which occurred on February 16, 2021 (the "**2021 Admission**"), the Company completed a private placement and issued a total of 117,226,572 common shares on February 16, 2021 (the "**2021 Fundraising**").

Each of: (i) Richard D. Williams, President, Chief Executive Officer and a director of the Company, a resident of West Vancouver, British Columbia; (ii) D. Grenville Thomas, a director of the Company, a resident of West Vancouver, British Columbia; and (iii) Donald R. Njegovan, a director of the Company, a resident of Toronto, Ontario, participated in the 2021 Fundraising and each subscribed for 200,000 common shares at a price of £0.07 per common share.

On February 11, 2021, the Company, Cornish Minerals Limited (Bermuda), a wholly-owned subsidiary of the Company ("**CMLB**"), Osisko Gold (being a shareholder which indirectly controls more than 10% of the common shares) and Osisko Development (being a shareholder which indirectly holds more than 10% of the common shares) entered into an implementation agreement pursuant to which the Company agreed to novate to CMLB all of its rights and obligations in respect of a senior convertible loan note instrument (the "**LNI**") pursuant to which \$7,170,000 of notes (the "**Notes**") were issued by the Company to Osisko Gold on January 26, 2018. In connection with the novation, Osisko Gold agreed to release and discharge the Company from all of its rights and obligations under the LNI. Osisko Gold then agreed to transfer the Notes to CMLB for cancellation in consideration of the grant by CMLB to Osisko Gold pursuant to certain royalty agreements of: (i) a 1.5% Net Smelter Return ("**NSR**") royalty with respect to the South Crofty tin project; and (ii) a 0.5% NSR royalty on other mineral rights in Cornwall. Further, in connection with the novation, Osisko Gold agreed to release the security entered into by the Company in respect of the Notes and agreed to enter into a more simplified and reduced security package with the Company. The reduced security package is restricted to CMLB, which holds the Company's mineral rights in Cornwall, and a share charge over the Company's indirect holding in CMLB. Certain liquidated damages may also become payable to Osisko Gold in the event of default. The address of each of Osisko Gold and Osisko Development is located at 1100 Avenue des Canadiens-de-Montreal, Suite 300, Montreal, Québec H3B 2S2.

## **AUDITOR**

Davidson & Company LLP, 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia, V7Y 1G6, are the auditors of the Company.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or any subsidiary of the Company.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Approval of Creation of a New Control Person**

#### ***Description of the Offering***

The Company intends to complete a private placement financing of up to an aggregate of 225,000,000 units (“**Units**”) at a price of £0.18 (\$0.30 for Canadian investors) per Unit for total gross proceeds of up to £40,500,000 (approximately \$66,800,700) as follows:

- (i) a subscription by Vision Blue Resources Limited (“**Vision Blue**”) pursuant to an investment agreement entered into between the Company and Vision Blue dated March 27, 2022 (the “**Investment Agreement**”) pursuant to which Vision Blue has agreed to subscribe for 138,888,889 Units, upon the terms and subject to the conditions set forth in the Investment Agreement (the “**Vision Blue Subscription**”);
- (ii) a concurrent financing in the United Kingdom, on a private placement basis, of up to 76,872,728 Units with certain existing and new institutional investors (the “**UK Placing**”), upon the terms and subject to the conditions set forth in the conditional agreement dated March 27, 2022 (the “**UK Placing Agreement**”) among the Company, SP Angel Corporate Finance LLP (“**SP Angel**”) and H&P Advisory Ltd. (“**Hannam & Partners**” and, together with SP Angel, the “**Joint Brokers**”) pursuant to which the Joint Brokers have agreed to act as agents of the Company in connection with the UK Placing; and
- (iii) a concurrent financing, on a private placement basis, of up to 9,238,383 Units with certain existing Canadian and UK investors and eligible private investors (the “**Concurrent Private Placement**” and, collectively with the Vision Blue Subscription and the UK Placing, the “**Offering**”).

Each Unit will consist of one common share and one common share purchase warrant (each, a “**Warrant**”), and each such Warrant will entitle the holder to purchase one additional share (each, a “**Warrant Share**”) at a price of £0.27 (\$0.45 for Canadian investors) for each Warrant Share for a period of thirty-six (36) months from the closing date of the Offering. For further details, please refer to the Company’s news release dated March 28, 2022 announcing the Offering and the Company’s material change report dated April 6, 2022, copies of which are available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Further, subject to closing of the Offering, in accordance with the deferred consideration payment terms pursuant to a Share Purchase Agreement dated March 16, 2016, as amended, among the Company, Galena Special Situations Limited (formerly Galena Special Situations Master Fund Limited) (“**Galena**”) and Tin Shield Production Inc. (“**Tin Shield**” and, together with Galena, the “**Sellers**”), the Company expects to issue to the Sellers, on or about the closing of the Offering, common shares with an aggregate value of US\$4,750,000 at a price per share expected to equal £0.18 per share (converted into US dollars at the US\$/£ exchange rate on the fifth business day before the date of the issue of such shares) (the “**Galena / Tin Shield Shares**”), subject to receipt of approval of the TSX Venture Exchange (the “**TSX-V**”). For further information on such deferred consideration, please see the Company’s news releases dated March 17, 2016, June 30, 2021, October 4, 2021 and November 3, 2021, all available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

All references in this Management Proxy Circular to percentages of the Company’s issued and outstanding common shares exclude the proposed issuance of the Galena / Tin Shield Shares as it is not yet possible to determine the number of Galena / Tin Shield Shares that will be issued.

### ***Related Party Transaction in respect of the Concurrent Private Placement***

Each of Patrick F. N. Anderson, D. Grenville Thomas, Stephen Gatley, John F.G. McGloin, Richard D. Williams, Donald R. Njegovan and Owen D. Mihalop, being certain directors and/or officers of the Company, have agreed to subscribe for Units pursuant to the Concurrent Private Placement. As such, the Concurrent Private Placement will constitute a “related party transaction” within the meaning of Policy 5.9 of the rules and policies of the TSX-V and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

Related party transactions require a formal valuation and minority shareholder approval unless exemptions from these requirements are available under applicable Canadian securities laws. In connection with the Concurrent Private Placement, the Company expects to rely on:

- (i) the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 as a result of the common shares being listed on the TSX-V and being admitted for trading on AIM; and
- (ii) the exemption from the minority approval requirement in section 5.7(1)(b) of MI 61-101 as neither the fair market value of the Units which may be distributed to, nor the consideration which may be paid by, the related parties will exceed \$2,500,000.

### ***Conditional TSX-V Approval***

The Company has made an application to the TSX-V to obtain all approvals required in respect of the Offering. The TSX-V has conditionally accepted the Offering subject to the Company fulfilling all of the requirements of the TSX-V.

### ***Information Concerning Vision Blue***

Vision Blue is an investment company with a focus on metals and minerals required to facilitate the green energy transition that targets companies in established mining jurisdictions with advanced and best-in-class assets that are scalable and can be rapidly brought into production. Vision Blue was founded in December 2020 and is organized under the laws of the Bailiwick of Guernsey.

### ***Creation of New Control Person***

The issuance of the 138,888,889 Units to Vision Blue under the Vision Blue Subscription, assuming that an aggregate of 225,000,000 Units are issued pursuant to the Offering, will result in Vision Blue owning approximately 27.2% of the Company’s total outstanding shares on closing of the Offering on an undiluted basis (and approximately 42.8% on a partially diluted basis), in each case excluding the Galena / Tin Shield Shares and based on the issued and outstanding common shares as at the date of this Management Proxy Circular. Subject to and upon the closing of the Vision Blue Subscription, Vision Blue will become a “control person”.

A “control person” means any company or individual that holds or is one of a combination of persons that holds, a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer. Under the rules and policies of the TSX-V, any

transaction that will result in the creation of a new “control person” requires “disinterested shareholder approval”.

The term “*disinterested shareholder approval*” means that, while shareholder approval may be obtained by ordinary resolution (50% + one or more shares) at the Meeting, the votes attached to the common shares held by the new control person and its affiliates and associates must be excluded from the calculation of any such approval.

The term “*disinterested shareholders*”, for purposes of this Management Proxy Circular in respect of the Control Person Resolution (as defined below), means all the shareholders of the Company other than Vision Blue and its affiliates and associates.

### **Control Person Resolution**

At the Meeting, disinterested shareholders will be asked to consider and if thought appropriate, to pass, with or without variation, a resolution in the following form to approve the creation of Vision Blue as a new control person of the Company (the “**Control Person Resolution**”):

**“BE IT RESOLVED, as an ordinary resolution of disinterested shareholders, that:**

- 1. the creation of Vision Blue Resources Limited (“**Vision Blue**”) as a new “control person” (as such term is defined in the policies of the TSX Venture Exchange) of Cornish Metals Inc. (the “**Company**”) as a result of the issuance of units of the Company (the “**Units**”) to Vision Blue pursuant to the terms and conditions of the Investment Agreement dated March 27, 2022 between the Company and Vision Blue, as the same may be amended, supplemented or otherwise modified in accordance with the terms therein (the “**Investment Agreement**”), at a price of £0.18 per Unit, with each such Unit consisting of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant of the Company (a “**Warrant**”), and each Warrant entitling Vision Blue (or its affiliates or permitted assignees) to acquire one additional Common Share (a “**Warrant Share**”) at a price of £0.27 per Warrant Share for a period of thirty-six (36) months from the date of issue, and as more particularly described in the Company’s Management Proxy Circular dated April 18, 2022, be and is hereby authorized and approved;*
- 2. any director or officer of the Company be and is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing; and*
- 3. subject to the terms and conditions of the Investment Agreement, notwithstanding that this resolution has been duly approved by the shareholders of the Company, the board of directors of the Company, in its sole discretion and without the requirement to obtain any further approval from the shareholders of the Company, be and is hereby authorized not to proceed with the transactions contemplated by the Investment Agreement.”*

As further described above in “*Particulars of Matters to be Acted Upon – Approval of Creation of a New Control Person – Related Party Transaction in respect of the Concurrent Private Placement*”, certain directors and / or officers of the Company have agreed to subscribe for Units pursuant to the Concurrent Private Placement and, as such, the Concurrent Private Placement will constitute a “related party transaction” within the meaning of applicable TSX-V rules and MI 61-101.

Accordingly, in accordance with the applicable requirements of the *Canada Business Corporations Act*, being the Company’s governing corporate statute, each of Patrick F.N. Anderson, D. Grenville Thomas, Stephen Gatley, John F.G. McGloin, Donald R. Njegovan and Richard D. Williams (each, a “**Participating Director**” and, collectively, the “**Participating Directors**”) disclosed each of his respective interest to the board of directors of the Company (the “**Board**”) as a result of each Participating Director’s potential participation in the Concurrent Private Placement, and requested to have such interest entered in the relevant minutes of the meeting of the Board. Each Participating Director abstained from voting on the matters pertaining to the Offering.

After a careful consideration of the terms and conditions of the Offering and all relevant matters, Kenneth A. Armstrong, who is an independent<sup>1</sup> director of the Board and is also considered independent for the purposes of the Offering in that Mr. Armstrong does not have any current or any prior connection to or involvement with any of the transactions contemplated by the Offering, determined that the Offering, including the potential creation of Vision Blue as a new control person of the Company on the terms and conditions contemplated by the Investment Agreement, is reasonable and fair to the Company and is in the best interest of the Company.

**Accordingly, the Board (with the Participating Directors abstaining) recommends that shareholders vote FOR the Control Person Resolution. To be effective, the Control Person Resolution must be approved by not less than a majority of the votes cast by disinterested shareholders of the Company, present or represented by proxy, at the virtual Meeting. Unless otherwise instructed, the persons named in the accompanying proxy intend to vote FOR the Control Person Resolution.**

#### ***Benefits of the Creation of Vision Blue as a Control Person of the Company***

The benefits the Company expects to gain from the Vision Blue Subscription, including Vision Blue’s £25 million (approximately \$41.2 million) subscription, and the creation of Vision Blue as a new control person of the Company include the following:

- Funding to dewater the South Crofty mine and complete drilling and any other studies required to deliver a feasibility study on the South Crofty tin project;
- Access to Vision Blue’s extensive capital markets network for additional financing as and when required;

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<sup>1</sup> As defined by National Instrument 52-110 – *Audit Committees*, being free from any direct or indirect relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of the member’s independent judgement.



- Access to Vision Blue's technical team to assist in the origination and evaluation of new opportunities; and
- Vision Blue, as the Company's largest shareholder (approximately 27.2% of the Company's total outstanding shares on closing of the Offering on an undiluted basis (assuming that an aggregate of 225,000,000 Units are issued pursuant to the Offering), excluding the Galena / Tin Shield Shares and based on the issued and outstanding common shares as at the date of this Management Proxy Circular) will have a strong vested interest in the success of the Company.

### ***Investment Agreement***

On March 27, 2022, the Company and Vision Blue entered into the Investment Agreement. The Investment Agreement has been filed and is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Investment Agreement contemplates, among other things:

- **Offering.** Vision Blue has agreed to purchase, on a private placement basis, an aggregate of 138,888,889 Units under the Vision Blue Subscription. As described above under the heading "*Particulars of Matters to be Acted Upon – Approval of Creation of a New Control Person – Description of the Offering*", the UK Placing consists of up to 76,872,728 Units with certain existing and new institutional investors and the Concurrent Private Placement consists of up to 9,238,383 Units with certain existing Canadian and UK shareholders and other eligible private investors. The Company and Vision Blue may agree (but are under no obligation to agree) that Vision Blue may subscribe for any of the Units not, or is likely to not be, subscribed for pursuant to the UK Placing. The 225,000,000 common shares (the "**New Shares**") underlying the Units to be issued pursuant to the Offering is expected to comprise approximately 44% of the Company's issued and outstanding common shares on an undiluted basis, with Vision Blue expected to hold approximately 27.2% of the Company's issued and outstanding common shares on closing of the Offering on an undiluted basis (assuming that an aggregate of 225,000,000 Units are issued pursuant to the Offering), in each case excluding the Galena / Tin Shield Shares and based on the issued and outstanding common shares as at the date of this Management Proxy Circular.
- **Board Nomination Right of Vision Blue.** For so long as the shareholdings in the Company of Vision Blue and its affiliates are in aggregate not less than 10% of the Company's issued and outstanding common shares (with such shareholdings resulting in Vision Blue being a "**Qualifying Investor**"), Vision Blue will have the right to nominate one person to be a non-executive director of the Company (the "**Investor Director**") as an additional director to the current Board, provided that such Investor Director has certain experience and qualifications as referred to in the Investment Agreement. If such Investor Director ceases to be a director of the Company, Vision Blue shall be entitled to nominate another person to be a non-executive director on the Board to replace such Investor Director.
- **Technical Committee Nomination Right of Vision Blue.** For so long as Vision Blue is a Qualifying Investor, Vision Blue may appoint one person (the "**Investor Technical Committee Member**") as a member of the technical committee of the Company (the "**Technical Committee**"). The Technical Committee shall be formed from closing of the Offering and shall convene at least once a month to discuss the technical aspects of the Company's projects. It is expected that the members of the Technical Committee will be a committee of technical experts who may be directors, officers, employees, consultants

and/or other advisors of the Company, in addition to the Investor Technical Committee Member and other third parties. The Investor Technical Committee Member may be a person other than the Investor Director on the Board at the relevant time, including another director of the Board. If such Investor Technical Committee Member ceases to be a member of the Technical Committee, Vision Blue shall be entitled to nominate another person to be a member of the Technical Committee to replace such Investor Technical Committee Member.

- **Investor Observer Right of Vision Blue.** In addition to Vision Blue's nomination right in respect of the Investor Director, at all times from closing of the Offering, for so long as the shareholdings in the Company of Vision Blue and its affiliates are in aggregate not less than 5% of the Company's issued and outstanding common shares, Vision Blue may appoint an observer to the Board (the "**Investor Observer**"). The Investor Observer shall not be entitled to vote on any resolution of the Board, but shall be entitled to receive the same notices and information (and at the same time) as are provided to the non-executive directors of the Company. The Investor Observer will also enter into a confidentiality agreement with the Company, pursuant to which the Investor Observer will, subject to certain customary exceptions, agree that at no time, during or after the termination of their term as Investor Observer will they disclose or use any information and data disclosed by the Company to them in connection with their appointment ("**Confidential Information**") for any purpose other than the proper performance of their duties to monitor the proceedings of the meetings of the Board as Investor Observer and in strict compliance with all applicable laws, rules and regulatory and stock exchange requirements (collectively, "**Applicable Laws**"), and, for greater certainty, the Investor Observer shall be entitled to disclose any such Confidential Information to Vision Blue provided that: (i) any such disclosure is in strict compliance with all requirements under all Applicable Laws, including, without limitation, all applicable corporate and securities legislation with respect to tipping or insider trading, dealing and market abuse; and (ii) notwithstanding anything to the contrary pursuant to such confidentiality agreement, the Investor Observer shall not be entitled to disclose Confidential Information to Vision Blue if such disclosure would result in a breach of, or be non-compliant with, any requirement under all Applicable Laws which would otherwise be applicable to the Investor Observer if, at the time of such disclosure, the Investor Observer were a current director of the Company, including, without limitation, the duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances pursuant to section 122(1) of the *Canada Business Corporations Act*. The appointment of the Investor Observer is subject to the Company's prior receipt of all necessary approvals from the TSX-V. The Company shall take all commercially reasonable steps, as determined by the Board in its sole discretion, to obtain such necessary approvals, in form and substance satisfactory to the Company, acting reasonably. The individual nominated by Vision Blue to be appointed as the Investor Observer shall submit to the TSX-V a duly completed and executed Form 2A – Personal Information Form or Form 2C1 – Declaration, as applicable, together with any other information and/or documentation as may be required by the TSX-V, and the appointment of such individual as the Investor Observer shall not be effective and such individual shall not be appointed as the Investor Observer and shall not be entitled to receive any Confidential Information from the Company unless and until all such approvals are obtained.
- **Participation Right of Vision Blue.** For so long as Vision Blue is a Qualifying Investor, Vision Blue will have 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.

- **Closing Conditions.** Vision Blue's obligation to subscribe for the Vision Blue Subscription is conditional upon, among other things: (i) the receipt of conditional approval of the TSX-V for the transactions contemplated by the Investment Agreement, including the issue of Units pursuant to the Offering and the listing of the New Shares and the Warrant Shares on the TSX-V; (ii) approval by the shareholders at the Meeting of the Control Person Resolution, the Specific Share Authority Resolution and the Specific Pre-Emptive Disapplication Authority Resolution (each as defined below); (iii) the Secretary of State confirming, among other things, that no action will be taken under the UK National Security and Investment Act 2021 in relation to Vision Blue's acquisition of more than 25% of the Company's issued and outstanding common shares; (iv) each of the UK Placing Agreement and the conditional subscription agreements dated on or about March 27, 2022 between the Company and certain existing Canadian and UK investors, Participating Directors and eligible private investors in respect of the Concurrent Private Placement (the "**Subscription Agreements**") becoming unconditional, save for the admission of the New Shares to trading on AIM ("**AIM Admission**"), and not having been terminated; (v) AIM Admission taking place on or before May 24, 2022 (or such later date as the Company and Vision Blue may agree, but not later than June 24, 2022); and (vi) the Investment Agreement becoming unconditional and not being terminated prior to AIM Admission (collectively, the "**Closing Conditions**").

The Investment Agreement is not conditional upon the listing for trading of the New Shares to be issued pursuant to the Offering on the TSX-V.

- **Representations and Warranties.** The Investment Agreement may be terminated by Vision Blue in certain circumstances prior to AIM Admission, including circumstances where any of the representations and warranties are or could reasonably be expected to become untrue, inaccurate or misleading, the UK Placing Agreement is terminated or there has occurred, in Vision Blue's opinion, any fact, matter, event, circumstance, condition or change which materially and adversely affects the business, operations, assets, liabilities, condition of the Company and its affiliates or the South Crofty tin project taken as a whole.
- **Termination and Withdrawal.** The Investment Agreement contains certain termination provisions, including, but not limited to:
  - if at any time prior to completion of the Vision Blue Subscription, Vision Blue becomes aware that:
    - any of the warranties given on signing of the Investment Agreement were, when given, untrue or inaccurate, or are not, or have ceased to be, true and accurate (or would not be true and accurate if then repeated) by reference to the facts subsisting at the time;
    - there has occurred a suspension or cancellation of the listing or admission of the Company's securities on either of AIM or the TSX-V;
    - the Placing Agreement is terminated in accordance with its terms;

- the Company has failed to comply in all material respects with any of its obligations under the Investment Agreement;
  - any of the Closing Conditions or the conditions under the Placing Agreement or any of the Subscription Agreements are incapable of being satisfied; or
  - there has occurred, in Vision Blue’s opinion, a Material Adverse Change (as such term is defined in the Investment Agreement); or
- completion of the Vision Blue Subscription has not occurred in accordance with the terms of the Investment Agreement,

then Vision Blue may, in its absolute discretion, terminate its obligations under the Investment Agreement.

- **Use of Proceeds.** The Company has undertaken with Vision Blue in the Investment Agreement to apply the proceeds from the Vision Blue Subscription in accordance with the use of proceeds of the Offering. Assuming the issuance of all 225,000,000 Units pursuant to the Offering, the planned use of the proceeds of the Offering is to complete a dewatering program and feasibility study at South Crofty, evaluation of downstream beneficiation opportunities, and potential on-site early works in advance of a potential construction decision. The proceeds are budgeted to be spent as follows:

Mine dewatering	£16.1m
Underground access/resource drilling	£8.5m
Surface drilling to expedite feasibility study	£4.5m
Feasibility study	£1.2m
South Crofty holding costs	£1.7m
Corporate and general working capital	£8.5m
<b>Total</b>	<b>£40.5m</b>

### ***Lock-In Agreements***

Certain directors and officers of the Company, being Patrick F.N. Anderson (Chair), Richard D. Williams (President, Chief Executive Officer, and director), D. Grenville Thomas (director), John F.G. McGloin (director), Stephen Gatley (director), Donald R. Njegovan (director), and Owen D. Mihalop (Chief Operating Officer), has each entered into an agreement with the Company and the Joint Brokers (the “**Directors’ Lock-In Agreement**”), pursuant to which each such person has agreed to not, subject to certain exceptions, dispose of any interest in common shares or other securities in the Company held as at the date of the Directors’ Lock-in Agreement, together with any New Shares or Warrants acquired in the Offering and any Warrant Shares or other common shares acquired after the date of the Directors’ Lock-In Agreements (collectively, the “**Relevant Shares**”), from the effective date of the Lock-In Agreement until the first anniversary of AIM Admission (the “**Initial Lock-In Period**”).

In addition, the above named directors and officers of the Company have agreed, subject to certain exceptions, for a further 12 months following the expiry of the Initial Lock-In Period, to only dispose of an interest in the Relevant Shares through either of the Joint Brokers (or any other nominated adviser or broker appointed to act for the Company in place of either or both of the

Joint Brokers) or, in the case of Canadian directors and with the consent of the Joint Brokers and the Company, their Canadian broker.

Upon closing of the Offering, the Company, Vision Blue and the Joint Brokers will enter into an agreement (the “**Vision Blue Lock-In Agreement**”) pursuant to which, subject to certain exceptions, Vision Blue and its connected persons will undertake with the Company and the Joint Brokers not to, and to procure that its connected persons do not, dispose of any interest in the New Shares and Warrants acquired by it in the Vision Blue Subscription and any Warrant Shares acquired on the due exercise of the Warrants or other common shares acquired after the date of the Vision Blue Lock-In Agreement, for the period of 12 months following AIM Admission.

Each subscriber under the UK Placing has undertaken with the Company and the Joint Brokers not to, and to procure that its connected persons do not, dispose of any interest in the New Shares and Warrants acquired by it in the UK Placing and any Warrant Shares acquired on the due exercise of the Warrants for the period of 12 months following AIM Admission, subject to certain exceptions.

Each of the subscribers under the Concurrent Private Placement has agreed with the Company and the Joint Brokers not to, and to procure that their connected persons do not, dispose of any interest in the New Shares and Warrants acquired by them in the Concurrent Private Placement and any Warrant Shares acquired on the due exercise of the Warrants for the period of twelve (12) months following AIM Admission, subject to certain exceptions.

### ***Relationship Agreement***

On closing of the Offering, the Company, SP Angel and Vision Blue will enter into an agreement (the “**Relationship Agreement**”) pursuant to which Vision Blue, as long as the Company’s shares remain admitted for trading on AIM, undertakes to the Company and SP Angel to, and to procure that each of its associates shall, exercise the voting rights attached to their common shares so that, among other things:

- (i) the Company and its affiliates (the “**Group**”) are capable at all times of carrying on business independently of Vision Blue and its associates;
- (ii) the Company shall be capable of being managed in accordance with the Corporate Governance Code published by the UK’s Quoted Companies Alliance (the “**QCA Code**”) and the applicable Canadian corporate governance provisions or any other corporate governance regime adopted by the Board from time to time;
- (iii) all transactions or arrangements entered into between any member of the Group and Vision Blue and/or its associates will be made at arm’s length and on a normal commercial basis and in compliance with all applicable laws and regulations including the AIM Rules for Companies published by London Stock Exchange plc, as amended or reissued from time to time; and
- (iv) there will at all times be a majority of directors on the Board who do not have a significant business, financial or commercial relationship with Vision Blue and there will be no less than two directors on the Board who are considered to be independent, as determined by reference to the QCA Code.

The Relationship Agreement will terminate on Vision Blue, together with any of its associates, ceasing to hold an interest in 20% or more of the voting rights attaching to the common shares.

### **Voting Undertakings**

In connection with the Investment Agreement, certain shareholders (including Patrick F.N. Anderson, D. Grenville Thomas, Richard D. Williams, Kenneth A. Armstrong, Donald R. Njegovan and Owen D. Mihalop), who together are beneficially interested in a total of 98,233,961 common shares (representing approximately 34.4% of the Company's issued and outstanding common shares on a non-diluted basis, as at the date of this Management Proxy Circular), have entered into irrevocable undertakings pursuant to which each such shareholder shall vote all the common shares held by such person **FOR** the resolutions to be proposed at the Meeting.

## **2. Authorization of Directors to Allot Shares**

On January 15, 2018, shareholders of the Company passed certain resolutions which approved certain amendments to the articles of the Company (the "**Articles**") in anticipation of the 2021 Admission. The amendments to the Articles (the "**2018 Amendments to the Articles**"), which came into effect on the 2021 Admission, were put in place in order to bring the Company's share issuance authorities in line with market norms for companies that are admitted to trading on AIM. For more information on the 2018 Amendments to the Articles, please see the Company's special meeting circular dated December 11, 2017 available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The 2018 Amendments to the Articles have the following effect:

### **Approval of Specific Share Authority**

Firstly, pursuant to the 2018 Amendments to the Articles, upon listing of the common shares of the Company on AIM on February 16, 2021 and conditional upon the continued admission for trading thereof, the directors may only allot shares and grant rights to subscribe for, or convert any security into, shares if authorized to do so by shareholders at a meeting by way of ordinary resolution (being a simple majority of votes cast) (the "**Specific Share Authority**").

Accordingly, the Specific Share Authority Resolution (as defined below), if approved, would authorize the directors to allot the common shares and the Warrants comprised in the Units to be issued pursuant to the Offering, and to allot the Warrant Shares issuable on the due exercise of the Warrants, as further described in this Management Proxy Circular under "*Particulars of Matters to be Acted Upon – Approval of Creation of a New Control Person – Description of the Offering*".

Accordingly, at the Meeting, the Company's shareholders will be asked to consider and if thought appropriate, to pass, with or without variation, a resolution in the following form (the "**Specific Share Authority Resolution**"):

***"BE IT RESOLVED, as an ordinary resolution, that, without prejudice to any existing authorities for the allotment of shares by the directors of the Company (the "Directors"):***

- 1. in connection with the issuance and sale by Cornish Metals Inc. (the "**Company**") of the aggregate 225,000,000 units of the Company ("**Units**") pursuant to a private placement financing at the price of £0.18 (C\$0.30 for Canadian investors) per Unit, with each such*

*Unit consisting of one common share of the Company (a “Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”), and each Warrant entitling the holder thereof to acquire one additional Common Share (a “Warrant Share”) at a price of £0.27 (C\$0.45 for Canadian investors) per Warrant Share for a period of thirty-six (36) months from the date of issue, the Directors are generally and unconditionally authorised for the purposes of article 3 of the articles of amendment which amended the Company’s articles on February 16, 2021 to exercise all the powers of the Company:*

- (a) to allot up to 225,000,000 Common Shares; and*
  - (b) to grant the rights to subscribe for up to 225,000,000 Warrant Shares (“Rights”) represented by the aggregate 225,000,000 Warrants (and, for the avoidance of doubt, to allot up to 225,000,000 Warrant Shares on the due exercise of the Warrants); and*
- 2. this authorisation shall, unless previously renewed, varied or revoked by an ordinary resolution passed by a majority of the votes cast by the shareholders who voted in respect of such resolution, expire at midnight Pacific time on the fifth anniversary of the special meeting of the shareholders of the Company held on May 19, 2022 or as otherwise adjourned. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant to any such offer or agreement as if this authorisation had not expired.”*

**The Board (with the Participating Directors abstaining) recommends that shareholders vote FOR the Specific Share Authority Resolution. To be effective, the Specific Share Authority Resolution must be approved by not less than a majority of the votes cast by the holders of the Company’s shares, present or represented by proxy, at the virtual Meeting. Unless otherwise instructed, the persons named in the accompanying proxy intend to vote FOR the Specific Share Authority Resolution.**

### ***Approval of Specific Pre-Emptive Disapplication Authority***

Secondly, pursuant to the 2018 Amendments to the Articles, upon listing of the common shares of the Company on AIM on February 16, 2021 and conditional upon the continued admission for trading thereof, the directors also require an approval from shareholders by way of an extraordinary resolution (being not less than 75% of votes cast at the virtual Meeting) (the “**Specific Pre-Emptive Disapplication Authority**”) to allot for cash consideration any Equity Securities (as defined in the 2018 Amendments to the Articles) which are not first offered on a pre-emptive basis to existing shareholders pro rata to their existing shareholdings.

Accordingly, the Specific Pre-Emptive Disapplication Authority Resolution (as defined below), if approved, would authorize the directors to allot the common shares and the Warrants comprised in the Units to be issued pursuant to the Offering, and to allot the Warrant Shares issuable on the due exercise of the Warrants, as further described in this Management Proxy Circular under “*Particulars of Matters to be Acted Upon – Approval of Creation of a New Control Person – Description of the Offering*”, without first having to offer them on a pre-emptive basis to existing shareholders.

Accordingly, at the Meeting, the Company's shareholders will be asked to consider and if thought appropriate, to pass, with or without variation, a resolution in the following form (the "**Specific Pre-Emptive Disapplication Authority Resolution**"):

**"BE IT RESOLVED, as an extraordinary resolution, that:**

1. *subject to and conditional upon the passing of the Specific Share Authority Resolution as defined and set forth in the Management Proxy Circular of Cornish Metals Inc. (the "**Company**") dated April 18, 2022, the directors of the Company are empowered pursuant to article 5 of the articles of amendment which amended the Company's articles on February 16, 2021 (the "**Articles of Amendment**") to allot Equity Securities for Cash (as both those terms are defined in the Articles of Amendment) pursuant to the authorisation conferred by the Specific Share Authority Resolution, as if article 4.1 of the Articles of Amendment did not apply to such allotment; and*
2. *this power shall, unless previously renewed, varied or revoked by an extraordinary resolution of the shareholders of the Company passed by shareholders representing a majority of not less than 75% of the votes cast of those entitled to vote, cease to have effect at midnight Pacific time on the fifth anniversary of the special meeting of the shareholders of the Company held on May 19, 2022 or as otherwise adjourned. The Company may, at any time before the expiry of this power, make offers or enter into agreements which would or might require Equity Securities to be allotted after such expiry and the directors of the Company may allot Equity Securities pursuant to any such offer or agreement as if this power had not expired."*

**The Board (with the Participating Directors abstaining) recommends that shareholders vote FOR the Specific Pre-Emptive Disapplication Authority Resolution. To be effective, the Specific Pre-Emptive Disapplication Authority Resolution must be approved by not less than 75% of the votes cast by the holders of the Company's shares, present or represented by proxy, at the virtual Meeting. Unless otherwise instructed, the persons named in the accompanying proxy intend to vote FOR the Specific Pre-Emptive Disapplication Authority Resolution.**

## **MISCELLANEOUS**

No person is authorized to give any information or to make any representation not contained in this Management Proxy Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company or our directors and officers. This Management Proxy Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 960, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, Telephone: (604) 668-8355, to request copies of the Company's financial statements and management's discussion and analysis.



Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the Management Proxyholders named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

The Board of the Company has approved the contents and sending of this Management Proxy Circular.

DATED this 18<sup>th</sup> day of April, 2022.

*/s/ "R. Williams"*

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**RICHARD WILLIAMS**

President, CEO & Director