

CornishMetals

Form 51-102F1

Management's Discussion and Analysis Eleven months ended December 31, 2023

Description of business

Cornish Metals Inc. (“**Cornish Metals**” or the “**Company**”) is a Canadian incorporated mineral exploration and development company focused on its mineral projects in Cornwall, United Kingdom. The Company’s flagship project is the past producing South Crofty high-grade underground tin mine which is being advanced through to a construction decision. The Company acquired rights for its mineral projects in Cornwall in July 2016.

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

Basis of preparation

This Management’s Discussion and Analysis (“**MD&A**”) of Cornish Metals’ financial condition and results of operations is prepared as at March 20, 2024, and should be read in conjunction with the audited consolidated financial statements of the Company for the eleven months ended December 31, 2023 and the year ended January 31, 2023, 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.

The Company changed its financial year end from January 31 to December 31 to better align the Company’s financial reporting periods to that of its peer group in the mineral resources sector. In addition, the calendar year end coincides with traditional financial, taxation and operational cycles. The change in year end takes effect from December 31, 2023, with the result that the current period of reporting is the eleven months ended December 31, 2023. The comparative period of reporting is the twelve months ended January 31, 2023.

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

Highlights for the eleven months ended December 31, 2023 and for the period ending March 20, 2024

- Refurbishment of New Cook’s Kitchen (“**NCK**”) shaft has commenced ahead of schedule:
 - Rephasing shaft refurbishment will improve the functionality of NCK shaft and enable larger equipment to access the mine at an earlier stage in its re-development.
- Commissioning of the Water Treatment Plant (“**WTP**”) completed at the end of October 2023:
 - Discharge of treated water to the Red River commenced in early November 2023 in accordance with permitted standards;
 - Dewatering of the mine progressed well with water levels drawing down as expected. The rate of dewatering has been reduced to allow shaft refurbishment and dewatering to proceed concurrently.
- Updated Mineral Resource Estimate (“**MRE**”) for South Crofty mine released in September 2023:
 - 31.6% increase to contained tin in the Indicated Mineral Resource category for the Lower Mine;
- Drill program to collect samples for metallurgical testwork as part of the South Crofty Feasibility Study completed in June 2023:
 - Visible tin mineralization confirmed in all 28 drill holes with assay results reported;
 - Ore sorting testwork completed with excellent results from X-Ray Transmission (“**XRT**”) confirming the potential to materially reduce tonnes milled, and reduce process plant capital and operating costs.
- Drill program started at the Wide Formation target in the Carn Brea exploration area:
 - Drill results from the first six holes confirm the Wide Formation structure over a 1.6km strike length;

- A new mineralized structure has been identified lying directly beneath the Great Flat Lode and several high-grade, steeply dipping tin zones.
- Shaft re-access work completed in readiness for commencement of refurbishment of NCK shaft:
 - South headframe above NCK shaft remediated with installation of new sheave wheel;
 - New temporary egress headframe arrangement installed inside the existing north headframe;
 - South winder building refurbished with new exterior cladding and associated civil works for accommodating new winding apparatus;
 - Main and auxiliary drum winders installed and commissioned.
- Work on the Feasibility Study continues and is well underway:
 - Preliminary Economic Assessment (“**PEA**”) expected to be published in Q2 2024 to provide interim guidance ahead of the publication of the Feasibility Study.
- Fifteen-month power supply contract agreed for the provision of 100% renewably generated power thereby providing certainty over power costs during the mine dewatering phase; and
- Cornish Metals Chief Executive Officer (“**CEO**”), Richard Williams, will depart the Company effective on March 31, 2024, when he will also leave the Company’s Board:
 - Mr. Williams will remain available to the Company on a consulting basis going forward;
 - Ken Armstrong, a non-executive director, will be appointed Interim CEO and Patrick Anderson, Chairman of the Board, will become the Executive Chairman of the Company during the transition.
- Samantha Hoe-Richardson joined the Board as independent non-executive director effective January 8, 2024.

Strategic review of business

Cornwall mineral properties - background

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

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

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

Tin, copper and lithium are fundamental to growth in the technology sector and the transition to a low carbon economy with tin being defined as a critical mineral by the UK, US and Canadian governments. There is no primary tin production in Europe or North America. Independent market analysts forecast growing deficits for the tin, copper and lithium markets.

Tin and copper have shown strong price increases through the past few years as investors anticipate renewed investment into infrastructure, especially electrification of various sectors. These price gains have been scaled back from recent highs, with increased geopolitical uncertainty surrounding events in Eastern Europe and the Middle East, slowing Chinese economic growth and an elevated interest rate environment impacting end-use demand, but prices remain at well supported levels. It is management’s view that this slowdown in demand will only serve to exacerbate the supply side constraints when the global economy recovers.

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

South Crofty tin project – background

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

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

An updated MRE prepared in accordance with the requirements of the JORC Code (2012) was published in September 2023 (refer below for more details). Furthermore, digitization of historic assay information and data from the metallurgical drilling program demonstrates management's belief in the exploration potential at South Crofty to materially increase the existing Mineral Resource base.

The proceeds from the £40.5 million fundraise completed in May 2022 which was cornerstoned by Vision Blue Resources (the “**Offering**”), are being used to advance South Crofty to a potential construction decision.

Planning activities related to the dewatering of South Crofty

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the potential reopening of the mine. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that allows treatment and discharge of up to 25,000m³/day of mine-water, following commissioning of a new WTP. Mine dewatering commenced in early November 2023 (refer below for more details).

Water levels in historic mines adjacent to South Crofty remain unchanged while South Crofty water levels fall, confirming that South Crofty is not hydrologically connected to neighboring historic mines and that the dewatering only comprises South Crofty mine.

Treated mine water from the WTP is being discharged into the Red River via the Dolcoath Deep Adit. Since South Crofty closed in 1998, untreated mine water from South Crofty and other nearby closed mines has directly entered the river. Dewatering South Crofty and treating the mine water therefore has a positive effect on the quality of the Red River.

Carn Brea exploration project

Using the proceeds from the AIM listing in February 2021, an exploration target, Carn Brea South, was drill tested between October 2021 and March 2022. Carn Brea South is located along the southern boundary of the South Crofty underground permission area. At Carn Brea South, eight holes were drilled totaling 2,501 meters. The drill holes confirmed up-dip, near-surface, extensions of the historic Great Flat Lode and discovered tin mineralization in a new target called the Wide Formation, inferred to lie parallel to, north of, and beneath the Great Flat Lode. The Great Flat Lode was mined historically over a five-kilometer strike length. All assay results from this drill program have been reported (refer news release dated January 10, 2023).

Management is of the view that there is merit in further exploring the Wide Formation as this discovery is located along the southern boundary of the South Crofty mine permission area and management believes there is potential to expand the Mineral Resource base, and also to potentially expand production throughput if South Crofty advances through to production.

A follow-up drill program was commenced in mid-2023 to test the continuity of mineralization and to better define the geometry and extent of the Wide Formation. Drill results from the first six holes (refer below for more details) confirm the Wide Formation structure over a 1.6km strike length and also identified a new mineralized structure lying directly beneath the Great Flat Lode (“**Great Flat Lode Splay**”), and several high-grade, steeply dipping tin zones between the Great Flat Lode and the Wide Formation.

United Downs exploration project

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

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

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

Agreement with Cornish Lithium

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

- annual share issuances to the value of US\$100,000 in January of each year until January 2026, after which the share payments would increase to US\$500,000 per year if Cornish Lithium elects to continue with the lease agreement;
- a 25% free carried interest, up to Bankable Feasibility Study, on Cornish Lithium’s first project located on the Company’s mineral right areas;
- a 10% free carried interest, up to Bankable Feasibility Study, on any subsequent projects located on the Company’s mineral right areas; and
- a 2% gross revenue royalty from any production of metals from brines by Cornish Lithium and from any geothermal energy produced and sold to the national grid or other system produced from within any of the Company’s mineral rights.

Activities update for the eleven months ended December 31, 2023 and for the period ending March 20, 2024

Updated Mineral Resource Estimate released for South Crofty Mine

An updated MRE for South Crofty Mine, prepared in accordance with the requirements of the JORC Code (2012 Edition), was released on September 13, 2023 (“**Updated MRE**”). This updates and supersedes the MRE published on June 9, 2021 (“**2021 MRE**”).

Since the 2021 MRE, the Company’s geological team has continued to digitize and incorporate historic assay data into the Mineral Resource model for the Lower Mine. Furthermore, confirmation of existing structures at depth through the recent metallurgical drilling program (as described below) has been incorporated into the Updated MRE.

The Updated MRE for the Lower Mine area of South Crofty Mine reports a:

- 39.0% increase in tonnes and a 31.6% increase in contained tin in the Indicated Mineral Resource category from the 2021 MRE; and
- 35.6% increase in tonnes and 15.5% increase in contained tin in the Inferred Mineral Resource category from the 2021 MRE.

The Updated MRE for the tin-only Lower Mine is summarized below:

Summary of South Crofty Lower Mine Area Mineral Resource Estimate at 0.6% Sn Cut-Off Grade (September 6, 2023)				
Classification	Mass (kt)	Grade (% Sn)	Contained Tin (t)	Increase to Contained Tin from 2021 MRE (t / %)
Indicated	2,896	1.50	43,573	10,475 / 31.6%
Inferred	2,626	1.42	37,422	5,026 / 15.5%

The Mineral Resource Estimate for South Crofty is available in a report titled “[South Crofty Tin Project - Mineral Resource Update NI 43-101 Technical Report](#)”, dated October 27, 2023, co-authored by Mr. N. Szebor (MCSM, MSc, BSc, CGeol, EurGeol, FGS) and Mr. R. Chesher (FAusIMM(CP), RPEQ, MTMS) of AMC Consultants, and can be accessed through the above link and on the Company’s SEDAR+ page.

The majority of new Mineral Resources are contained within the central part of the mine in No. 1, No. 2, No. 3, Main, Intermediate, North and Great Lodes following digitization and modelling of historic data.

The Updated MRE for the Lower Mine area is reported using a 0.6% tin cut-off grade, the same cut-off grade applied in the MREs prepared in 2016 and 2021. The Updated MRE was prepared by the Company’s geological team and independently reviewed and verified by AMC Consultants (UK) Ltd.

The Lower Mine area contains tin mineralization within quartz-tourmaline vein or “lode” structures, which are hosted entirely within granitic rocks. The major lode structures that comprise the Updated MRE remain open along strike and to depth.

Mineral Resources for the Upper Mine area of the South Crofty Updated MRE were reported accounting for a recalculation of tin equivalent grades due to changes in metal prices since the 2021 MRE was published (refer news release dated September 13 2023).

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.

The Updated MRE will be incorporated into the mine plan to be included in the Feasibility Study as described below.

Commissioning of water treatment plant at South Crofty and commencement of dewatering

The construction of the WTP at South Crofty involved various enabling works, including completion of the treated water discharge duct from the WTP, various roadways and the concrete foundation pad for the WTP itself. Pipelines carrying water from the submersible pumps in NCK shaft to the WTP were also laid along with electrical and communication systems.

The WTP comprises nine reaction tanks for altering the chemical properties to precipitate the various metals out of solution, and six inclined plate settling tanks (lamella clarifiers) to remove the precipitated solids. At the back end of the WTP, a sludge storage and thickening system has been installed, consisting of storage tanks for unthickened and thickened sludge and a deep cone thickener to thicken the sludge.

At the mine end is a building housing the high voltage power supply/sub-station and the variable speed drives (“VSDs”) required to operate the pumps. A new power supply contract (refer below) provides the 11kV power supply needed. At the WTP end, a large motor control center and automation system was installed in a new building, which National Grid connected to their network with another new substation.

A hydro-turbine has been added ahead of the discharge point that is generating up to 20% of the electricity required to operate the WTP. Other renewable energy opportunities are also being explored.

Wet commissioning of the WTP was completed during September and October 2023. After successful commissioning, the WTP was officially opened on October 26, 2023, with discharge of treated water to the Red River commencing in early November 2023. The treated water exceeds the Company’s permitted standards set by the Environment Agency for its discharge into the Red River. Dewatering of the mine progressed well with the water level drawing down as expected. With the commencement of refurbishment of NCK shaft (as more fully described below), the rate of mine dewatering has been reduced, with the water level being maintained, to allow shaft refurbishment and dewatering to proceed concurrently. Mine dewatering and shaft refurbishment are expected to be complete by September 2025.

Installation of submersible pumps and commissioning of variable speed drives

Two submersible pumps manufactured by KSB in Germany have been installed in NCK shaft for the first stage of the two-stage mine dewatering program. The pumps are specialist high head, vertical pumps that are controlled by VSDs to enable the 25,000m³/day pumping rate to the WTP to be maintained as the water level drops and the pumping head increases. The VSDs were manufactured by Schneider Electric and supplied by Siemag Tecberg UK.

The pumps were installed in NCK shaft in mid-2023. Commissioning teams from Siemag Tecberg UK and Schneider Electric were on-site for testing the pumps and VSDs that were successfully commissioned and ran through a series of performance tests to demonstrate their ability to meet the target flow rate to the WTP.

The pumps were initially lowered to approximately 360 meters below surface and suspended from 120 three-meter-long pipes that form the temporary rising main. When the water level reaches the level at approximately 360 meters below surface, a permanent set of pumps will be installed at that level. The submersible pumps will then be lowered to approximately 730 meters below surface for the second stage of dewatering.

Since the commencement of the dewatering of the South Crofty mine (refer above), the pumps have been pumping mine water from approximately 360 meters below surface to the WTP from where the treated mine water is discharged to the Red River.

Execution of power supply contract for South Crofty

In July 2023, South Crofty entered into a 15-month supply contract with NPower for the provision of 100% renewably generated power. The supply contract allows South Crofty to advance through the mine dewatering phase with certainty over the power costs for the next 15 months. This added certainty is an important financial consideration given the power price volatility seen over the last two years.

Preparation for re-accessing New Cook's Kitchen shaft

Two single drum winders were ordered for the shaft re-access work, with the primary access winder supplied by Siemag Tecberg UK and an emergency egress winder provided by Zitron S.A. These winders will enable NCK shaft to be re-accessed once dewatering activities have sufficiently progressed. Both winders arrived on site by the beginning of November 2023 and have been installed and commissioned in December 2023 and January 2024, respectively.

The south headframe sitting above NCK shaft has been remediated and strengthened as required. New sheave wheels and associated apparatus have been ordered to replace the originals which were beyond economic repair. The South Winder house, housing the primary access winder, has been remediated with its structural steelwork checked and refurbished, and new exterior cladding erected. The secondary egress winder has been housed in a new temporary winding house which was erected in October 2023.

Pump and pipe handling infrastructure has also been installed around the headframe to facilitate the lowering of the pumps and pipes and subsequent dewatering activities.

Refurbishment of New Cook's Kitchen Shaft

After assessment of the condition of the timbers in NCK shaft, refurbishment of the shaft has commenced ahead of schedule (refer news release dated March 3, 2024). Rephasing shaft refurbishment will improve the functionality of NCK shaft, enable larger equipment to access the mine at an earlier stage in its re-development and ensure that high health and safety standards are applied as the underground mine workings are accessed.

As stated above, shaft refurbishment and mine dewatering will proceed concurrently and are expected to be complete by September 2025. The rephasing of shaft refurbishment is expected to have no impact on the overall South Crofty project development timeline and there is no anticipated impact on the overall cost of re-opening South Crofty arising from this rephasing.

Metallurgical study drill program at South Crofty

A metallurgical drill program as part of the Feasibility Study was completed between July 2022 and June 2023. The program was designed to collect samples for various metallurgical studies, including XRT ore sorting, flowsheet optimisation and paste backfill studies. This testwork should allow acceleration of the Feasibility Study in advance of dewatering the mine and will provide key information for the mineral processing flowsheet.

The program comprised 10,312 meters of diamond drilling with three drill rigs contracted from Priority Drilling Limited, under the supervision of the Company's geological team.

Samples were collected from the North Pool Zone (eastern section of Mineral Resource), the No. 4 and No. 8 Lodes (central part of the Mineral Resource), Roskear and Dolcoath South (western part of the Mineral Resource). These five main lodes / mineralized zones contain the majority of the mineralized material anticipated to be processed during the first six years of the proposed mine life.

The metallurgical drill program comprised 14 parent and daughter drill holes targeting No. 4 and No. 8 Lodes, and 14 parent and daughter holes targeting the Roskear Lode. Visible tin mineralization was observed in all 28 drill holes. Three holes from each Lode were assayed for base metals and associated elements and the rest of the drill intercepts were used for metallurgical studies. The assay results were reported in the news release dated July 3, 2023.

Four parent and 29 daughter holes targeting the North Pool Zone and the Dolcoath South Lode, respectively, were also completed.

Metallurgical testwork results

The metallurgical testwork was conducted on samples from the metallurgical drill program (as more fully described above) across five mineralized zones (North Pool Zone, No. 4 and No. 8 Lodes, Roskear and Dolcoath South), representing the majority of the potential production areas in the first six years of the proposed mine life.

XRT ore sorter testwork of bulk composite samples was completed by TOMRA Sorting GmbH. Heavy Liquid Separation (“HLS”) testwork of bulk composite samples was completed by Wardell Armstrong International.

Both XRT ore sorting and HLS pre-concentration testwork yielded excellent results:

- XRT: 55% mass rejection with less than 3% metal loss (-50mm to +15mm size fraction); and
- HLS: 50% mass rejection with less than 5% metal loss (-15mm to +0.85mm size fraction).

The metallurgical testwork results confirm the potential to materially reduce tonnes milled and reduce process plant capital and operating costs as well as the associated environmental footprint. The testwork results are being incorporated in the Feasibility Study as described below.

Preparation of Feasibility Study

Good progress is being made in advancing the South Crofty Feasibility Study with a substantial amount of the study completed. All study components, with the exception of infill drilling, are expected to be finalised by the end of June 2024.

The Feasibility Study continues to progress, or has completed, the following activities:

- Geotechnical testwork - televiewer investigations and geotechnical rock testing completed on the primary mining areas by RobertsonGeo to confirm known historical structural and rock mass property data;
- Headframe structural modelling and refurbishment completed by IMEC and Entech Mining / RSV Group;
- Concept numerical modelling of the proposed underground mining methods and stope designs completed by MiningOne;
- Phase 1 of the metallurgical testwork program completed by Wardell Armstrong (mineralogy, physical competency, characterisation XRT, heavy liquid separation and gravity response testwork). Phase 2 of the testwork program (flowsheet development) is progressing well;
- Ground investigations for the new mineral processing plant completed by AGS Ground Solutions;
- Mineral processing plant design and layout in advanced stages by Fairport Engineering, incorporating the results of the metallurgical testwork program and potential future throughput expansions;
- Underground mine design and optimisation completed using the September 2023 South Crofty updated MRE;
- Concept mine ventilation study, underground infrastructure design and hoisting analysis completed;
- Concept engineering on paste backfill options and sighter testwork completed by Paterson & Cooke (UK);
- Feasibility Study level engineering design for the paste backfill plant is underway;
- Hydrogeology (Piteau Associates), environmental, social, closure (SLR Consulting) and market studies (Project Blue and CRU Group) completed; and
- AMC Consultants (UK) has been commissioned to review and provide overall Feasibility Study sign-off.

Exploration drill program at Carn Brea South

A 9,000-meter exploration drill program commenced at the Wide Formation target in the Carn Brea South exploration area. The drill program is designed to test the geometry and the continuity of tin mineralization within the recently discovered Wide Formation target (refer news release dated January 10, 2023).

The mineralization style in the Wide Formation, comprising pervasive tourmaline and quartz (termed ‘blue peach’), is similar in character to that associated with No. 8 Lode, one of the most prolific tin producing lodes in the latter years of operation of the South Crofty mine. The drill program is testing an area measuring 2,500 meters along strike (northeast to southwest) and 500 meters downdip (north to south).

Drill results from the first six holes (refer news release dated February 4, 2024) confirm the Wide Formation structure over a 1.6km strike length, a downdip extent of at least 525 meters and thicknesses ranging from 1.8 meters – 4.8 meters. The structure remains open. Notable tin intercepts from the Wide Formation include 1.21 meters grading 0.87% Sn in CB23_004.

Drilling also identified a new mineralized structure lying directly beneath the Great Flat Lode Splay, and several high-grade, steeply dipping tin zones between the Great Flat Lode and the Wide Formation. Notable tin intercepts from the newly identified Great Flat Lode Splay include 3.38 meters grading 1.01% Sn in CB23_002.

Notable tin intercepts from multiple steeply-dipping, high-grade tin zones mainly intersected between the Great Flat Lode and the Wide Formation including 3.09 meters grading 1.21% Sn in CB23_001.

To date, nine drill holes (totalling approximately 6,119 meters) have been completed.

Departure of CEO, Richard Williams

On March 15, 2024, the Company announced the departure of CEO, Richard Williams, effective on March 31, 2024, when he will also leave the Company’s Board. Mr. Williams will remain available to the Company on a consulting basis going forward. Ken Armstrong, a non-executive director, will be appointed as Interim CEO and Patrick Anderson, Chairman of the Board, will become the Executive Chairman of the Company during the transition and search for a permanent CEO to lead the Company through the next stage of development of South Crofty as the Company moves towards construction.

Appointment of Samantha Hoe-Richardson as independent non-executive director

On January 8, 2024, the Company announced that Samantha Hoe-Richardson joined the Board of Directors as an independent non-executive director (refer news release dated January 8, 2024). Ms. Hoe-Richardson is an experienced non-executive director from a global mining, infrastructure and insurance background. She is currently a non-executive director of Kew Soda Ltd, Assured Guaranty UK Ltd, Ascot Underwriting Limited, 3i Infrastructure plc and an independent advisor on climate change & sustainability to Laing O’Rourke. Ms. Hoe-Richardson was Head of Environment & Sustainable Development at Network Rail until 2017 and prior to that spent 16 years at Anglo American plc, latterly as Head of Environment. She previously worked in investment banking and audit. Ms. Hoe-Richardson holds a Masters Degree in nuclear and electrical engineering from the University of Cambridge, and is also a non-practicing Chartered Accountant.

Next steps for the Cornwall Mineral Properties

As described above, the Company is advancing the South Crofty tin project to a potential construction decision. The Company’s objectives are as follows:

- Dewater South Crofty mine and refurbish NCK shaft by September 2025;
- PEA for South Crofty in the second quarter of 2024;
- Complete a Feasibility Study with the outcome of the PEA providing guidance for the timing for the completion of the Feasibility Study and outstanding work programs;
- All study components of the ongoing Feasibility Study, with the exception of infill drilling, expected to be completed by the end of June 2024;
- Complete the 14-hole / 9,000 metre Wide Formation exploration drill program, and
- Commence basic and detailed engineering studies, construction of the processing plant, refurbishment of underground facilities and other on-site early works.

The follow-up exploration drill program at the Wide Formation target at Carn Brea South will also continue subject to the receipt of satisfactory drill results.

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

Results of operations

Financial highlights for the eleven months ended December 31, 2023 and the year ended January 31, 2023

	Eleven months ended December 31, 2023	Year ended January 31, 2023
<i>(Expressed in Canadian dollars)</i>		
Total operating expenses	4,859,889	3,448,124
Loss for the period	2,714,155	1,218,257
Net cash (used in) operating activities	(2,732,773)	(3,607,008)
Net cash (used in) investing activities	(28,164,958)	(10,318,376)
Net cash (used in) provided by financing activities	(32,082)	61,657,081
Cash at end of the period	25,791,552	55,495,232

- Increase in operating costs impacted by higher insurance costs attributable to more site-based activities primarily relating to the construction of the WTP, related dewatering and NCK shaft re-access work;
- Interest income of \$1.7 million benefitted from increased interest rates being received on higher cash balance following the Offering;
- Cash refund received of \$168,112 relating to research and development tax credit arising from South Crofty drill program completed in 2020, with further applications underway for subsequent activities;
- Expenditure of \$14.8 million incurred during the period on the construction of the WTP and related dewatering equipment, as well as new or replacement equipment for the mine;
- Dewatering costs of \$1.3 million incurred since October 2023 for power, reagents, sludge disposal and maintenance of the WTP;
- Other project related costs of \$10.6 million incurred during the period relating to the advancement of South Crofty to a potential construction decision, primarily for the metallurgical drill program, the feasibility study and planning activities for dewatering and NCK shaft re-access;
- Costs of \$1.2 million incurred for the continuation of the exploration program at Carn Brea which recommenced in June 2023; and
- Recognition of foreign currency translation gain of \$2.0 million for those assets located in the UK when translated into Canadian dollars for presentational purposes.

Commentary for the eleven months ended December 31, 2023

During the eleven months ended December 31, 2023 (the "**Current Period**"), the Company recorded a loss of \$2,714,155 as compared to a loss of \$1,218,257 for the year ended January 31, 2023 (the "**Comparative Year**"). Comprehensive loss for the Current Period totaled \$696,047 (\$0.00 loss per share) as compared to comprehensive loss of \$1,693,096 (\$0.00 loss per share) in the Comparative Year.

The Company recognized a foreign currency translation gain of \$2,018,108 (Comparative Year – loss of \$474,839) in comprehensive income arising on the translation of entities whose functional currency is not the Canadian dollar.

As noted above, the Company changed its financial year end from January 31 to December 31 with effect from December 31, 2023. Due to the change in year end, the Current Period is an eleven month period and the Comparative Year is a twelve month period resulting in the two reporting periods not being directly comparable.

During the Current Period, expenses totaled \$4,859,889 as compared to expenses of \$3,448,124 in the Comparative Year. This increase is mainly attributable to higher travel and marketing expenditure, professional fees, corporate remuneration, insurance costs and share-based compensation expense offset by lower regulatory and filing fees and generative exploration costs.

Travel and marketing expense (Current Period - \$634,145; Comparative Year - \$515,166) increased primarily due to media and travel related expenditure incurred for the official opening event arranged for the WTP at the end of October 2023. Travel-related expenditure of the Company's executives increased due to more site-based activities at South Crofty and corporate activities more generally. Attendance fees for investor conferences also increased as the Company was represented at more events across the corporate calendar. Other costs included in this expense category include fees relating to public relations in the UK, investor relations in North America and publicity costs in Cornwall.

Professional fees (Current Period - \$1,048,676; Comparative Year - \$744,585) include tax and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees increased due to higher fees payable for risk management and environmental, social and governance ("ESG") consultancy services reflecting the progress of the South Crofty tin project. In addition, fees for tax advice increased as a project is underway to transfer the mineral rights in Cornwall from Cornish Minerals Limited (Bermuda) to a newly formed UK subsidiary of Cornish Metals Limited in order to simplify the group structure. The ownership of the mineral rights in Cornwall by a Bermudan subsidiary is a legacy structure inherited by the Company upon the acquisition of the Cornwall Mineral Properties in July 2016. Fees were also payable for advice to the Remuneration Committee relating to executive and non-executive compensation.

Salaries, directors' fees and benefits expense (Current Period - \$2,051,151; Comparative Year - \$1,652,333) increased as compensation for the Company's executives rose during the Current Period reflecting the Company's higher activity levels since the Comparative Year as well as an additional appointment to the Company's executive team in September 2023. In addition, fees payable to the non-executive directors increased to reflect their higher time commitment and to bring fee levels more in line with market practice. Bonuses awarded to executive management also increased in the Current Period reflecting the progress of the South Crofty tin project towards a construction decision.

Share-based compensation expense (Current Period - \$205,026; Comparative Year - \$Nil) increased due to the award of stock options in July 2023 with previous awards of stock options having been fully vested by January 31, 2022. The Company recognized \$326,932 in share-based compensation (Comparative Year - \$Nil), of which \$205,026 (Comparative Year - \$Nil) was expensed and \$121,906 (Comparative Year - \$Nil) was capitalized to exploration and evaluation assets (Comparative Year - \$Nil). The share-based compensation expense in the Current Period relates to the estimated fair value of the 11,800,000 stock options granted to executive management and senior employees. The options have an exercise price of 18 pence / 30 cents, the same subscription prices paid by investors during the Offering in May 2022. The options have a five year term, whereby the options vest over a three year period, with one third of the options vesting at the end of each year.

Insurance expense (Current Period - \$633,287; Comparative Year - \$145,462) increased as a construction all-risks policy has been arranged for the WTP and all activities relating to the advancement of the South Crofty tin project to a potential construction decision, including dewatering and preparation for re-accessing NCK shaft. In addition, the cost of arranging the UK general liability policy increased reflecting higher activity levels at the mine site and employee numbers following the Offering. A higher coverage level for the D&O policy was also arranged for the policy year commencing from December 1, 2022. For the policy year commencing from December 1, 2023, the D&O policy has been arranged through the UK insurance market reflecting the changing risk profile.

Office, miscellaneous and rent (Current Period - \$175,164; Comparative Year - \$102,540) increased mainly due to an increase in sponsorship expenditure for various sporting, charitable, community and educational events which were supported by the Company. More events have been supported in the Current Period reflecting the increased activity levels at South Crofty and the Company's commitment to engaging with the local community. Additional IT consultancy costs were also incurred to support the conversion of the Company's functional currency from Canadian dollars to British pounds with effect from February 1, 2023. Other costs in this expense category include the Company's membership fees of the International Tin Association and the Critical Minerals Association.

Regulatory and filing fees (Current Period - \$86,760; Comparative Year - \$164,798) decreased as the TSX-V filing fee for the approval of the shares issued in satisfaction of deferred consideration in May 2022 was incurred in the Comparative Year, as was the filing fee for the approval of the revised stock option plan. Other costs incurred in this expense category included the ongoing AIM listing and TSX-V sustaining fees. Transfer agent fees reduced in the Current Period correlating to the lower level of trading in the Company's shares across the two stock exchanges.

Depreciation (Current Period - \$Nil; Comparative Year - \$443) decreased as all assets held at the corporate center have been fully depreciated and there were no additions of property, plant and equipment during the Current Period for which depreciation is expensed. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Period, capitalized depreciation increased (Current Period - \$1,026,856; Comparative Year - \$144,086) as depreciation of \$745,679 was capitalized for the WTP with effect from November 1, 2023 when the WTP was regarded as complete and available for use. In addition, there were several other additions

to the depreciable asset base at South Crofty reflecting higher activity levels which also increased capitalized depreciation.

Generative exploration costs (Current Period - \$25,680; Comparative Year - \$122,797) were incurred for expenditure on the Company's mineral properties located in North America. In addition to rental payments for these properties, more expenditure was incurred in the Comparative Year to enhance their marketability for disposal, which included some costs to address historic permitting and remediation matters.

Interest income (Current Period - \$1,695,837; Comparative Year - \$417,136) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Period, together with a higher level of cash being held by the Company following completion of the Offering.

The foreign exchange gain (Current Period - \$394,621; Comparative Year – gain of \$758,216) has arisen primarily due to the appreciation of the British pound against the Canadian dollar since January 31, 2023. In the Comparative Year, the foreign exchange gain arose primarily due to the translation impact on the Company's cash balance following the Offering. The British pound appreciated against the Canadian dollar since the closing of the Offering, resulting in a foreign exchange gain on the funds raised.

A loss on the disposal of property, plant and equipment (Current Period - \$921; Comparative Year - \$Nil) arose as the Company scrapped certain assets at South Crofty which were no longer considered operational.

During the Current Period, an unrealized loss on marketable securities of \$116,903 was recognized (Comparative Year – gain of \$752,368). This loss is attributable to the lower fair value of the Company's holding in Electric Royalties Limited which was received pursuant to the disposal of a Net Smelter Royalty on the Sleitat tin-silver project (refer below). The decrease in fair value reflects the lower market price of these shares since January 31, 2023. The unrealized gain in the Comparative Year was mostly attributable to the increase in fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2022.

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

During the Current Period, an income tax recovery of \$173,100 was recognized (Comparative Year – income tax expense of \$16,000). Of this recovery, \$4,988 was recognized reflecting a favorable adjustment to the previously recognized liability for taxes payable arising from the disposal of the Net Smelter Royalty as described above. The balance of \$168,112 reflects the receipt of a research and development tax credit arising from the drill program undertaken at South Crofty during the year ended January 31, 2021. Further applications for research and development tax credits are underway for other activities that meet the required criteria defined by the UK tax authority.

Commentary for the two months ended December 31, 2023

During the two months ended December 31, 2023 (the “**Current Quarter**”), the Company recorded a loss of \$1,142,324 as compared to income of \$2,339,299 for the three months ended January 31, 2023 (the “**Comparative Quarter**”). Comprehensive loss for the Current Quarter totaled \$743,280 (\$0.00 loss per share) as compared to comprehensive income of \$4,229,575 (\$0.01 income per share) in the Comparative Quarter.

The Company recognized a foreign currency translation gain of \$399,044 (Comparative Quarter – \$1,890,276) in comprehensive loss arising on the translation of entities whose functional currency is not the Canadian dollar.

As noted above, the Company changed its financial year end from January 31 to December 31 with effect from December 31, 2023. Due to the change in year end, the Current Quarter is a two month period and the Comparative Quarter is a three month period resulting in the two reporting periods not being directly comparable.

During the Current Quarter, expenses totaled \$1,578,690 as compared to expenses of \$831,824 in the Comparative Quarter. This increase is mainly attributable to higher corporate remuneration, insurance costs and share-based compensation expense.

Travel and marketing expense (Current Quarter - \$145,348; Comparative Quarter - \$115,845) increased primarily due to higher attendance fees for investor conferences during the Current Quarter as the Company was represented at more events.

Professional fees (Current Quarter - \$254,509; Comparative Quarter - \$243,848) increased mainly due to higher fees payable for tax advice relating to the transfer of the mineral rights to a newly formed UK subsidiary and assistance

with the applications for research and development tax credits. Higher ESG consultancy services were also incurred in the Current Quarter as more focus is being applied on ESG activities and their external reporting. Offsetting these increases were lower financial advisory fees payable to the joint brokers and nominated adviser in the UK following the first anniversary of the Offering after which it was agreed that recurring fee levels would decrease. Legal fees also reduced as various initiatives were reviewed in the Comparative Quarter in respect of the marketing of the North American properties.

Salaries, directors' fees and benefits expense (Current Quarter - \$922,479; Comparative Quarter - \$351,021) increased due to higher compensation paid to the Company's executives during the Current Quarter as the Company's activity levels rose as well as an additional appointment to the Company's executive team in September 2023. Fees payable to the non-executive directors also increased to reflect their higher time commitment and to bring fee levels more in line with market practice. In addition, bonuses were awarded to the Company's executives during the Current Quarter.

Share-based compensation expense (Current Quarter - \$74,890; Comparative Quarter - \$Nil) increased due to the award of stock options in July 2023 and October 2023 with previous awards of stock options having been fully vested by October 31, 2022.

Insurance expense (Current Quarter - \$121,389; Comparative Quarter - \$46,166) increased as a construction all-risks policy was arranged for the WTP and all activities relating to the advancement of the South Crofty tin project to a potential construction decision.

Office, miscellaneous and rent (Current Quarter - \$26,239; Comparative Quarter - \$27,925) remained relatively stable and includes sponsorship expenditures for various sporting, charitable, community and educational events which were supported by the Company.

Regulatory and filing fees (Current Quarter - \$13,589; Comparative Quarter - \$20,330) decreased as with most expenditure in this category being of a recurring nature, the extra month included in the Comparative Quarter resulted in a decrease in costs.

Generative exploration costs (Current Quarter - \$20,247; Comparative Quarter - \$26,689) were incurred for expenditure incurred on the Company's mineral properties located in North America.

Interest income (Current Quarter - \$239,140; Comparative Quarter - \$280,919) was lower reflecting the Company's lower cash balance across the Current Quarter reflecting the advancement of the South Crofty tin project, partially offset by increased interest rates.

The foreign exchange loss (Current Quarter - \$358; Comparative Quarter – gain of \$2,666,040) reduced with the conversion of the Company's functional currency to British pounds with effect from February 1, 2023 and the resulting lower translation impact arising from the Company's cash balance which is mainly denominated in British pounds. In the Comparative Quarter a foreign exchange gain arose primarily due to the translation impact on the Company's cash balance as the Company's functional currency was the Canadian dollar.

During the Current Quarter an unrealized gain on marketable securities of \$30,393 (Comparative Quarter – \$240,164) was recognized, which relates to an increase in the fair value of the Company's holding in Electric Royalties Limited compared to its fair value as at October 31, 2023. The unrealized gain during the Comparative Quarter also related to the movement in the fair value of the Company's holding in Electric Royalties and the higher fair value of Company's holding in Cornish Lithium in Canadian dollar terms due to the appreciation of the British pound against the Canadian dollar.

During the Current Quarter, an income tax recovery of \$168,112 was recognized (Comparative Quarter – income tax expense of \$16,000) reflecting the receipt of a research and development tax credit for South Crofty. In the Comparative Quarter, an income tax expense was recognized reflecting taxes payable arising from the disposal of the Net Smelter Royalty on the Sleitat tin-silver project in Alaska.

Assets and liabilities

Total assets increased to \$104,220,752 as at December 31, 2023 as compared to total assets of \$102,106,198 as at January 31, 2023. The increase in the Company's asset base is mainly attributable to the appreciation of the British pound against the Canadian dollar thereby resulting in a foreign currency gain for those assets located in the UK when translated into Canadian dollars for presentational purposes.

The Company's cash balance decreased from \$55,495,232 as at January 31, 2023 to \$25,791,552 as at December 31, 2023, as a result of ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities decreased from \$2,718,936 as at January 31, 2023 to \$2,665,454 as at December 31, 2023. Most of this balance represents the Company's holding in Cornish Lithium which increased in value in Canadian dollar terms although its fair value denominated in British pounds remained unchanged since January 31, 2023. Offsetting the increase of the Cornish Lithium holding in Canadian dollar terms, there was a reduction in the fair value of the Company's holding in Electric Royalties Limited reflecting the lower market price of these shares since January 31, 2023.

Receivables increased from \$656,407 as at January 31, 2023 to \$1,112,638 as at December 31, 2023. Receivables largely consist of sales tax receivables from the governments of Canada and the UK. The sales tax receivable balance in the UK has increased due to higher activity levels associated with the Company's mineral properties in Cornwall, in particular, more expenditure being incurred on construction and commissioning work related to the WTP, dewatering activities and preparation for re-accessing NCK shaft. The refunds in respect of sales tax receivable balances are up to date, with the December 2023 refund having been received in February 2024.

Prepaid expenses increased from \$371,977 as at January 31, 2023 to \$591,264 as at December 31, 2023. Prepaid expenses increased largely due to the amortization of the premium for the Company's insurance policies which were paid upfront in December 2023. The premium for the insurance policies has increased reflecting the inception of a construction all-risks policy arranged for the WTP and all activities relating to the advancement of the South Crofty tin project to a potential construction decision.

Deposits increased from \$54,165 as at January 31, 2023 to \$85,954 as at December 31, 2023 due to a deposit being paid for a new banking facility. Included in this balance is a deposit paid to the main contractor for the drill programs and a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment (“PPE”) assets increased from \$9,721,352 as at January 31, 2023 to \$23,788,325 as at December 31, 2023. Additions to PPE amounted to \$14,847,892, which include expenditure on the WTP and related dewatering equipment, as well as new or replacement equipment for the mine, the most significant of which are downpayments for the new winders and related switchgear as noted above.

The single largest item within PPE is the capitalization of the WTP at a completed cost of \$17,919,091. Of this balance:

- \$1,007,926 relates to capitalized borrowing costs arising from the convertible loan note between January 2018 (closing of loan note) and February 2021 (conversion to NSR liability);
- \$2,972,189 relates to procurement of long lead items and early design and enabling work primarily undertaken during 2018 and 2019, and
- \$13,938,976 relates to construction and commissioning expenditure following closing of the Offering in May 2022.

A foreign currency gain of \$246,858 also increased the carrying value of PPE due to the appreciation of the British pound against the Canadian dollar since January 31, 2023.

Depreciation of PPE amounted to \$1,026,856, of which \$745,679 relates to the WTP. Depreciation of the WTP commenced on November 1, 2023 when the WTP operated consistently at its planned design capacity in this month. Depreciation has been capitalized to exploration and evaluation assets as the depreciation relates to assets located at the South Crofty mine. Equipment amounting to \$3,579,501 is treated as work in progress and will be depreciated once the assets are complete and available for use. The most significant equipment within this category are the new winders, related switchgear, equipment for re-accessing NCK shaft and the permanent pumps to be installed in NCK shaft.

Exploration and evaluation assets of \$50,050,323 as at December 31, 2023, representing 48% of total assets, have increased from \$33,088,129 as at January 31, 2023. Expenditure of \$15,008,653 was capitalized during the Current Period. There was also a foreign currency translation gain of \$804,779 due to the appreciation of the British pound against the Canadian dollar since January 31, 2023 and the capitalization of share-based compensation expense of \$121,906.

Capitalized costs relate to the Company's mineral properties in Cornwall, and include general running costs of South Crofty, such as administrative salaries, utility & IT expenses, lease payments and office expenses. Costs of \$10,561,434 were also incurred since January 31, 2023 relating to the advancement of South Crofty to a potential construction decision. These costs were primarily incurred for the metallurgical drill program, the ongoing feasibility study and planning activities for dewatering and NCK shaft re-access. Dewatering costs of \$1,273,984 for power, reagents, sludge disposal and maintenance of the WTP have also been incurred since October 2023. In addition, costs of \$1,249,495 were incurred for the exploration program at Carn Brea which commenced in June 2023.

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

	January 31, 2023	Expended during the period	December 31, 2023
Cornwall Mineral Properties			
Exploration costs	\$ 10,617,546	\$ 10,758,238	\$ 21,375,784
Tenure and utility costs	1,859,025	576,125	2,435,150
Office and remuneration costs	6,081,662	3,674,290	9,755,952
Capitalized depreciation	581,974	1,026,856	1,608,830
Asset acquisition	15,122,062	-	15,122,062
Recovery of costs	(581,729)	-	(581,729)
Share-based compensation	-	121,906	121,906
Foreign currency translation	(592,411)	804,779	212,368
	<u>\$ 33,088,129</u>	<u>\$ 16,962,194</u>	<u>\$ 50,050,323</u>

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

Current liabilities increased from \$2,495,284 as at January 31, 2023 to \$5,063,940 as at December 31, 2023 reflecting higher procurement levels arising from the advancement of South Crofty, in particular, the construction and commissioning of the WTP and planning activities for dewatering and NCK shaft re-access.

Total long-term liabilities decreased from \$9,149,804 as at January 31, 2023 to \$9,064,817 as at December 31, 2023 as a result of the re-measurement of the NSR liability at the period end date. Since the NSR liability is denominated in US dollars, a foreign currency translation adjustment arises at each reporting date as it is converted into Canadian dollars for presentational purposes.

Selected annual information

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

	Period ended December 31, 2023 \$	Years ended January 31, 2023 \$	January 31, 2022 \$
General and administrative expenses, net	4,859,889	3,448,124	3,007,748
Total (loss) gain on marketable securities	(116,903)	752,368	445,703
Loss for the period:			
- Before taxes	(2,887,255)	(1,202,257)	(2,911,140)
- After taxes	(2,714,155)	(1,218,257)	(2,911,140)
Comprehensive loss for the period:			
- In total	(696,047)	(1,693,096)	(3,324,291)
- Basic and diluted loss per share	(0.00)	(0.00)	(0.01)
Total assets	104,220,752	102,106,198	36,088,025
Property, plant and equipment	23,788,325	9,721,352	6,437,175
Exploration and evaluation assets	50,050,323	33,088,129	20,772,029
Total long-term financial liabilities	9,064,817	9,149,804	8,717,997

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

The gain on marketable securities largely reflects the change in market value arising from the Company's interests in Cornish Lithium and Electric Royalties (since May 27, 2022).

Loss for the period reflects the level of operating expenses, interest income on cash balances, foreign exchange differences arising on current assets and liabilities, gains or losses (unrealized and realized) on marketable securities and other non-operating items.

Comprehensive loss includes the foreign currency exchange differences arising upon consolidation from the translation of entities whose functional currency is not the Canadian dollar.

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

Total long-term liabilities represent the NSR liability arising from the conversion of the convertible note held by Osisko in February 2021. The NSR liability is denominated in US dollars and is converted into Canadian dollars for presentational purposes.

Summary of quarterly results

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

Quarter ending	Interest income \$	Income (loss) from continued operations \$	Basic and Diluted income (loss) per share from loss \$
December 31, 2023	\$ 239,140	\$ (1,142,324)	\$ (0.00)
October 31, 2023	649,403	(684,432)	(0.00)
July 31, 2023	418,910	(680,596)	(0.00)
April 30, 2023	388,384	(206,802)	0.01
January 31, 2023	280,919	2,355,299	0.01
October 31, 2022	120,993	(307,001)	(0.00)
July 31, 2022	14,480	(2,266,902)	(0.01)
April 30, 2022	743	(979,427)	(0.01)

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

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

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

Quarterly results are also impacted by interest income, foreign exchange differences, unrealized and realized gains or losses on marketable securities recognized in income or loss and other non-operating items.

Liquidity and capital resources

The Company's working capital as at December 31, 2023 was \$25,232,210 as compared to working capital of \$56,747,268 as at January 31, 2023. The most significant change within working capital related to the utilization of cash as described below.

Cash decreased by \$30,929,813 in the Current Period (Comparative Year – increased by \$47,731,697) to \$25,791,552 as at December 31, 2023. The impact of a foreign currency translation gain on the cash position as at January 31, 2023 was \$1,226,133 (Comparative Year – \$840,831). The British pound has appreciated against the Canadian dollar since January 31, 2023, resulting in a foreign exchange gain on the funds raised from the Offering.

Net cash used in operations during the Current Period was \$2,732,773 (Comparative Year - \$3,607,008). Changes in working capital items during the Current Period included an increase in receivables of \$456,230, an increase in prepaid expenses of \$204,107 and an increase in payables and accrued liabilities of \$729,490. The increase in receivables is mainly due to the higher sales tax receivable balance in the UK attributable to greater procurement levels associated with the Company's mineral properties in Cornwall.

During the Current Period, the Company used \$28,164,958 (Comparative Year – \$10,318,376) for investing activities, including \$14,192,068 for the acquisition of PPE, and \$13,942,740 for expenditure which was capitalized to exploration and evaluation assets. This expenditure related to the construction and commissioning of the WTP and all activities relating to the advancement of the South Crofty tin project to a potential construction decision, including dewatering and preparation for re-accessing NCK shaft. In the Comparative Year, \$7,576,717 was incurred on exploration and evaluation assets and \$2,729,942 was incurred on PPE.

Net cash used by financing activities was \$32,082 in the Current Period (Comparative Year – provided by \$61,657,081), of which \$31,359 related to deferred financing fees incurred in respect of fundraising activities (Comparative Year - \$Nil) and \$723 related to residual payments for a motor vehicle lease which matured in March 2023 (Comparative Year - \$4,459). In the Comparative Year, the Company received proceeds from the Offering of \$65,135,746 offset by share issue costs of \$3,966,075. Also in the Comparative Year, proceeds from the exercise of options and warrants amounted to \$411,222, proceeds after legal expenses for the disposal of the Net Smelter Royalty on the Sleitat tin-silver tin were \$63,147 and proceeds from warrant exercises received in advance of the related share issuance were \$17,500.

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 in Cornwall and upon future profitable production. Since the Company has not generated revenues from operations and is considered to be in the exploration stage, liquidity risk and going concern are the most significant risks faced by the Company at the present time. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration, future development and corporate activities and anticipating investing and financing activities.

As at December 31, 2023, the Company had current assets of \$30,296,150 to settle current liabilities of \$5,063,940. Although the Company has positive working capital of \$25,232,210 as at December 31, 2023, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

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

forms of financing, each carrying their own risk profile and cost.

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

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

Foreign currency risk

The Company has its most significant exposure to foreign currency risk through expenditures incurred on its mineral properties in the United Kingdom. Most of the Company's expenditure incurred on these assets is denominated in British pounds. Where possible, the currency of any fundraising that is undertaken for the advancement of the Cornwall Mineral Properties is denominated in British pounds to mitigate foreign currency risk.

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

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

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash. The Company's receivables consist primarily of sales tax receivables due from the Canadian and UK governments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions and 'AAA' rated liquidity funds.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is limited to the investment returns received on cash placed in deposits or liquidity funds held with Canadian and British financial institutions. Funds not required for immediate working capital needs are placed in deposits or liquidity funds to maximize investment returns whilst balancing near-term liquidity requirements. The Company has no financial liabilities subject to variable interest rates.

Equity market risk

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

Commodity price risk

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

Outstanding share data

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

As at March 20, 2024, there were 535,270,712 common shares issued and outstanding.

As at March 20, 2024, the Company had the following stock options and warrants outstanding:

	Outstanding	Exercise Price	Exercisable	Expiry date
Options	5,150,000	\$ 0.10	5,150,000	August 19, 2025
	11,000,000	0.30 ¹	-	July 17, 2028
	800,000	0.30 ¹	-	October 1, 2028
Warrants	225,000,000	0.45 ²	225,000,000	May 24, 2025

¹ Pursuant to the terms of the share option award, the exercise price of these options is £0.18 for non-Canadian option holders or \$0.30 for Canadian option holders, consistent with the subscription prices of the Offering.

² Pursuant to the terms of the Offering, the exercise price of these warrants is £0.27 for non-Canadian investors or \$0.45 for Canadian investors.

During the Current Period, the Company granted 11,800,000 (Comparative Period – Nil) stock options to officers and employees with an estimated fair value of \$1,206,694 (Comparative Period – \$Nil). These options have a five year term, whereby the options vest over a three year period, with one third of the options vesting at the end of each year. Of these options, 11,000,000 will expire on July 17, 2028 and 800,000 will expire on October 1, 2028.

During the Current Period, the Company recognized \$326,932 in share-based compensation, of which \$205,026 was expensed to profit or loss and \$121,906 was capitalized in exploration and evaluation assets (Comparative Period - \$Nil).

Transactions with related parties

The Company had no reportable transactions with related parties during the Current Period. The Company entered into the following transactions with related parties during the Comparative Period:

Exercise of stock options

- a) Received \$65,000 from Owen Mihalop (Chief Operating Officer) relating to the exercise of 325,000 stock options on October 11, 2022;

Exercise of warrants

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

Participation in financings

- a) Received \$30,000 from each of Patrick Anderson (director), Stephen Gatley (director), Don Njegovan and Richard Williams (director), £10,000 from John McGloin (director) and Owen Mihalop, and \$90,000 from D. Grenville Thomas for their participation in the Offering; and
- b) Received £25,000,000 from VBR for its participation in the Offering.

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

	Eleven months ended December 31, 2023	Year ended January 31, 2023
Salaries, bonuses and benefits ¹	\$ 1,533,719	\$ 1,295,352
Directors’ fees (payable to non-executive directors)	306,725	215,951
Share-based payments	193,943	-
Total	\$ 2,034,387	\$ 1,511,503

1 Allocated \$1,527,180 (Comparative Period - \$1,281,302) to salaries and benefits and \$6,539 (Comparative Period - \$14,050) to professional fees.

Commitments

The Company has entered into contracts with utility providers, land owners and mineral lease owners, none of which are regarded as non-routine in nature. Costs under these contracts are either expensed to profit or loss, or capitalized to exploration and evaluation assets depending on their nature.

The Company also has outstanding commitments amounting to \$3.2 million as at December 31, 2023 relating to the advancement of the South Crofty tin project to a potential construction decision. The timing of payments relating to these commitments depends on the progress of the dewatering of the South Crofty mine, associated shaft refurbishment activities and preparation of the feasibility study. Settlement of these commitments is expected within twelve months of the period end.

The Company is liable to make a payment of US\$5.0 million in common shares pursuant to the residual deferred consideration payable to the Sellers of the Cornwall Mineral Properties. The payment will be crystallized 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.

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 \$141,431 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 eleven months ended December 31, 2023 and the year ended January 31, 2023.

Capital management

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

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 eleven months ended December 31, 2023 and the year ended January 31, 2023.

Qualified person

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

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 the eleven months ended December 31, 2023 and the year ended January 31, 2023 prepared in accordance with IFRS. These statements are available on SEDAR+ at www.sedarplus.ca.

Additional information

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

Forward-looking statements

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements include predictions, projections, outlook, guidance, estimates and forecasts and other statements regarding future plans, the realisation, cost, timing and extent of mineral resource or mineral reserve estimates, estimation of commodity prices, currency exchange rate fluctuations, estimated future exploration expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, future or estimated mine life and other activities or achievements of Cornish Metals, including but not limited to: statements with respect to expenditures and sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's mineral properties, including, but not limited to, the Company's ability to evaluate and develop the South Crofty tin project and other Cornwall mineral properties and other statements, including, but not limited to: statements in respect of the required consents and permissions for further development of the South Crofty tin project and other Cornwall mineral properties, mineralisation at South Crofty, planned exploration and exploration results, exploration potential and project growth opportunities for the South Crofty tin project and other Cornwall mineral properties and the timing thereof mine dewatering expectations, timing and results of Cornish Metals' feasibility study, strategic vision of Cornish Metals and expectations regarding the South Crofty mine, timing and results of projects mentioned, the Company's ability to obtain financing when required and on terms acceptable to the Company and the potential consequences if the Company fails to obtain any such financing, including potential delays in exploration and the advancement of mineral properties, the inability to maintain its mineral properties in good standing, and potential non-compliance with continued listing requirements, the Company's ability to comply with the terms of its royalty agreements in connection with the South Crofty tin project and other Cornwall mineral properties, and the remaining deferred consideration payable to the Sellers and timing thereof.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "forecast", "expect", "potential", "project", "target", "schedule", "budget" and "intend" and statements that an event or result "may", "will", "should", "could", "would" or "might" occur or be achieved and other similar expressions and includes the negatives thereof. All statements other than statements of historical fact included in this news release, are forward-looking statements that involve various risks and uncertainties and there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to receipt of regulatory approvals, risks related to general economic and market conditions; risks related to the

availability of financing; the timing and content of upcoming work programmes; actual results of proposed exploration activities; possible variations in Mineral Resources or grade; outcome of the current Feasibility Study; VBR's significant influence over the Company, the potential impacts of VBR's significant interest in the Company on the liquidity of the shares; 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; projected dates to commence mining operations; 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; changes in national and local government regulation of mining operations, tax rules and regulations. The list is not exhaustive of the factors that may affect Cornish's forward-looking statements.

Cornish Metals' forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date such statements are made. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking statements, there may be other factors that cause such actions, events or results to differ materially from those anticipated. There can be no assurance that forward-looking statements will prove to be accurate and accordingly readers are cautioned not to place undue reliance on forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Cornish Metals does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law.

Approval

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