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

Containing information up to and including September 22, 2021

Description of Business

Cornish Metals Inc. ("Cornish Metals" or the "Company") is a Canadian incorporated mineral exploration and development company focused on its mineral projects in Cornwall, United Kingdom. The Company's flagship projects are the United Downs exploration project and the past producing South Crofty underground tin mine. The Company acquired rights for its mineral projects in Cornwall in July 2016.

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

The following discussion and analysis of the Company's financial condition and results of operations for the six months ended July 31, 2021, should be read in conjunction with the consolidated condensed interim financial statements of the Company for the six months July 31, 2021 and July 31, 2020, together with notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and specifically, in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"). This Interim MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. Refer to the "Forward-Looking Statements" section which appears later in this MD&A.

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

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

Highlights for the Six Months Ended July 31, 2021 and for the Period ending September 22, 2021

- Completion of listing and concurrent financing on AIM in February 2021 raising gross proceeds of £8.2 million ($14.4 million based on closest available exchange rate) to advance the United Downs exploration project and for general working capital purposes;
- Conversion of Osisko loan note in February 2021 into two royalty agreements over mineral properties in Cornwall with an accompanying simplified and reduced security package;
- Agreements reached for the leasing of additional mineral rights at the South Crofty tin project and surface land surrounding the New Roskear Shaft, and binding heads of terms agreed for the disposal of waste material derived from the dewatering of the South Crofty mine;
- Increases in Indicated Resource and Inferred JORC (2012) Compliant Resource of contained tin / tin equivalent by 10.2% and 129.8%, respectively, for the Lower Mine in an updated Mineral Resource Estimate for South Crofty Mine published in June 2021;
- Commencement of phased exploration program at the United Downs exploration project in April 2021 with results from first 3,042 meters of drilling reported to date, with a further 5,000 to 6,000 meters of drilling planned under the program;
- Agreement reached for the restructuring of outstanding deferred consideration relating to the acquisition of the South Crofty tin project and associated mineral rights, subject to regulatory approval; and
- Financing options continue to be considered to progress the South Crofty tin project.

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 United Downs exploration project and at the South Crofty tin project.

Through these mineral rights, the Company has exposure to three essential battery / technology / "green" metals: copper, tin and lithium, the latter via a free carried interest with Cornish Lithium.

Southwest England has a rich history in mining high-grade copper lodes, with an estimated 1 million tonnes of copper mined in the 1700s and 1800s. 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 near-surface, high-grade copper and tin mineralization at 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 Cornish Lithium's projects in the area. Furthermore, management believes that there has been a recent shift in policy at local and central government levels which has seen growth in support for new mining projects in the UK, as demonstrated by the development of Scotgold's Cononish gold mine in Scotland and Anglo American's Woodsmith project in North Yorkshire.

Copper, tin and lithium are fundamental to growth in the technology sector and the transition to a low carbon economy. Independent market analysts forecast growing deficits for the copper, lithium and tin markets. Copper and tin have shown strong price increases through the past year as investors anticipate renewed investment into infrastructure, especially electrification of various sectors, as global economies recover from the COVID-19 pandemic.

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

United Downs exploration project

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

Assays from drilling completed in April 2020 intersected some very high-grade copper-tin mineralization including 14.69 meters grading 8.45% copper and 1.19% tin, and 4.04 meters grading 4.44% copper and 2.06% tin. The semi-massive sulphide mineralization is similar in style to that found at nearby former producing mines. Further drilling is required to confirm the true width, as well as the strike and dip of the mineralized zone.

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

South Crofty tin project

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

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

In February 2017, the Company announced completion of a Preliminary Economic Assessment ("PEA). The PEA indicates the South Crofty tin project is potentially economically viable and technically feasible. The outcome of this PEA, the positive supply/demand dynamics of the tin market, the granting of a long life mine permit, support from Cornwall Council, together with the strong potential to materially add to the lower mine tin-only mineral resource, supports management's belief that South Crofty can become an operating mine again in the future.

Furthermore, completion of the 'proof of concept' drill program during 2020 demonstrates management's belief in the exploration potential at South Crofty to materially increase the existing resource base.

Planning, design and construction progress of the water treatment plant

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the reopening of the mine. In March 2017, a water treatment trial was successfully completed at South Crofty. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that will allow treatment and discharge of up to 25,000m^3/day of mine-water, following construction and commissioning of a new water treatment plant ("WTP"). Mine dewatering is expected to take between eighteen and twenty-four months and is subject to receipt of financing for the construction of the WTP.

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

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

Agreement with Cornish Lithium

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

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

<u>Activities Update for the Six Months Ended July 31, 2021 and for the Period Ending September 22, 2021</u>

Listing on AIM

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

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

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

Conversion of Osisko loan note into royalties

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

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

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

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

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

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

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

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

Updated mineral resource estimate released for South Crofty mine

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

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

A summary of the updated MRE is tabulated below:

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

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

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

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

Results from ongoing exploration program at United Downs

After receiving confirmation of its permitted development rights from Cornwall Council, being the relevant Mineral Planning Authority, the Company commenced its exploration program at United Downs in early April 2021. The drilling activities have been contracted to Priority Drilling Limited, under the supervision of the Company's geological team.

The first phase of the drill program has focused on tracing along strike the recently discovered high-grade copper-tin mineralization in a structure now named the "UD Lode" (formerly the Lithium Lode). The UD Lode has been intersected in five of the six drill holes reported to date. The UD Lode has been traced over a strike length in excess of 200 meters to a depth of 400 meters and it remains open along strike.

In addition, four new zones of copper / tin / silver mineralization have been intersected adjacent to the main target demonstrating the wider prospectivity of United Downs. Drilling is ongoing to fully determine the lateral and vertical extent of these zones of mineralization.

A second target 900 meters to the south of the UD Lode, called Trenares Lode, is now also being drill tested.

Details of the intercepts from the ongoing drill program reported to date can be found in the press releases dated July 5, 2021 and August 30, 2021. The results reported to date represent a total of 3,042 meters of drilling. A further 5,000 meters to 6,000 meters of drilling is planned under the program.

The ongoing drill program at United Downs is part of the plan to advance the project to Inferred Mineral Resource definition within 18 months from the AIM listing, subject to the results of the program.

Restructuring of the deferred consideration payable for the Cornwall mineral properties

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

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

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

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

- the issuance of 7,000,000 common shares to the Sellers immediately upon receipt of shareholder and regulatory approvals that are required for the Side Letter;
- US$4,750,000 to be paid in common shares upon closing of either the financing for the dewatering of the mine at the South Crofty tin project, and / or any interim financings (up to 10% of the gross proceeds of such interim financings); and
- US$5,000,000 to be paid in common shares upon closing of the development and / or construction financing of a mine either at the South Crofty tin project or at the United Downs property.

Shareholder approval for the issuance of 7,000,000 common shares pursuant to the Side Letter was received on July 31, 2021. Regulatory approval remains pending.

Next steps

As noted above, the proceeds from the recently completed AIM listing are being used to conduct a drill program at the United Downs exploration project, to conduct initial field work on other high priority exploration targets within transport distance of South Crofty, and for general working capital purposes. Management believes that, subject to drilling success, the proceeds from the AIM listing will result in the Company being fully funded to the completion of a maiden JORC resource at the United Downs exploration project.

Within 12 to 18 months of the date of the AIM listing, the Company's plans are as follows:

- Progress an 18 month 9,100 meter initial drilling program at United Downs to advance the project to JORC Compliant Inferred Mineral Resource definition, fully funded from the proceeds arising from the AIM listing. To date, a total of 4,040 meters have been drilled;

- Test three lodes with a 1,000 meter of strike length to a depth of 500 meters in the initial phase. Management believes there are up to seven further mineralized lode structures with a total resource potential of between four million tonnes and ten million tonnes. To date, UD Lode has been traced over a strike length in excess of 200 meters and to a depth of 400 meters. Multiple parallel lode structures are present and drilling continues to further define these along with the principal UD Lode structure. A second target 900 meters to the south of UD Lode, called Trenares Lode, is now also being drill tested;
- Subject to the outcome of the initial drilling program, to undertake a subsequent in-fill drilling program at United Downs to advance the project to a feasibility study within three years; and
- Evaluate other near-surface, high potential, exploration targets within transport distance of the planned processing plant site.

In the longer term, the Company intends to develop the South Crofty tin project as and when economic conditions and cashflows are supportive.

<u>Results of Operations</u>

Financial highlights for the six months ended July 31, 2021

	Six months ended	
	July 31, 2021	**July 31, 2020**
Total operating expenses	1,625,462	746,938
Loss for the period	1,097,062	789,476
Net cash used in operating activities	1,710,060	657,510
Net cash used in investing activities	1,383,840	838,790
Net cash provided by financing activities	13,065,594	1,088,153
Cash at end of the financial period	10,138,512	893,068

- Increase in operating expenses impacted by $368,325 of costs relating to AIM listing not eligible for capitalization;
- Higher advisory costs incurred more generally relating to AIM listing and corporate initiatives, offset by reduction in operating expenses arising from closure of Vancouver office in April 2021;
- Unrealized gain of $733,120 arising from increased valuation of Company's holding in Cornish Lithium following its most recent fundraising completed in July 2021;
- Costs of $827,913 capitalized in connection with the ongoing exploration program at United Downs (excluding capitalized depreciation and foreign exchange movements); and
- Gross proceeds raised from AIM listing of $14.2 million (£8.2 million) with share issue costs of $1.5 million.

Commentary for the six months ended July 31, 2021

During the six months ended July 31, 2021 (the "Current Period"), the Company recorded a loss of $1,097,062 as compared to a loss of $789,476 for the six months ended July 31, 2020 (the "Comparative Period"). Comprehensive loss for the Current Period totaled $1,126,903 ($0.00 loss per share) as compared to comprehensive loss of $661,340 ($0.00 loss per share) in the Comparative Period.

The Company recognized a foreign currency translation loss of $29,841 (Comparative Period – gain of $128,136) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Period, expenses totaled $1,625,462 as compared to expenses of $746,938 in the Comparative Period. This increase is mainly attributable to higher professional fees, advertising and promotion expenditure, regulatory and filing fees, salaries, directors' fees and benefits, and also share-based compensation expense recognized in the Current Period that was not recognized in the Comparative Period, partially offset by a lower accretion expense.

Advertising and promotion expense (Current Period - $166,026; Comparative Period - $77,180) increased due to higher expenditure relating to public relations in the UK and more travel costs. Fees related to public relations in the UK were higher as a consequence of the AIM listing during the Current Period and enhanced publicity for the Company's activities in Cornwall. This expense category also includes the travel expenditure of the Company's executives relating to the continued development of the Company's mineral properties in Cornwall and meetings with investors and advisers in the UK and Canada. In the Comparative Period, travel expenditure was significantly curtailed due to the COVID-19 pandemic, but since the AIM listing travel costs have increased. Other costs in this expense category include costs relating to investor relation activities in North America.

Professional fees (Current Period - $704,810; Comparative Period - $66,297) include accounting and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees increased mainly due to the financial advisory fees relating to preparatory work for the AIM listing which were not eligible for capitalization and also recurring fees payable to the joint brokers and nominated adviser in the UK pursuant to the Company's listing on AIM. There were also higher legal fees incurred in respect of various corporate initiatives undertaken in the Current Period, including the restructuring of the outstanding deferred consideration payable in respect of the acquisition of the Cornwall mineral properties and preparation for the annual general meeting where a number of amendments to the Company's by-laws were proposed reflecting market practices in Canada and the UK.

Salaries and benefits expense (Current Period - $455,393; Comparative Period - $344,336) increased as the Company's activity levels increased as compared to the previous period with the result that compensation for the Company's executives was adjusted accordingly. Fees payable to the chairman and other non-executive directors also became payable after the Company listed on AIM whereas previously compensation to these directors was through the award of stock options.

Share-based compensation expense (Current Period - $76,548; Comparative Period - $Nil) increased due to the award of stock options in August 2020 with previous awards of stock options having been fully vested by January 31, 2019. The share-based compensation expense in the Current Period relates to the estimated fair value of the 5,150,000 stock options granted to Directors and senior management on August 19, 2020. The options have an exercise price of 10 cents per share and are valid for a five year period expiring on August 19, 2025. The options have a 12 month vesting period, with 20% vesting immediately and 20% vest on a three monthly basis thereafter.

Insurance expense (Current Period - $43,918; Comparative Period - $38,931) increased as the cost of arranging D&O and liability policies were higher on account of competitive pressures in the insurance market notwithstanding the Company's exposures and asset base remaining largely unchanged.

Office, miscellaneous and rent (Current Period - $39,712; Comparative Period - $24,217) increased mainly due to lower income receivable from sub-lease agreements with tenants within the Company's office located in Vancouver. With the expiry of the lease at the end of April 2021, the Company's office in Vancouver closed. Additional costs were incurred during the Current Period to close the office and to transition the Company's IT systems to the UK. Also included in this expense category is a monthly fee of $540 (Comparative Period - $540) payable to North Arrow Minerals Inc. ("North Arrow"), a company related by virtue of two common directors, for storage and administrative support. Other miscellaneous costs in this category include the Company's membership fee of the International Tin Association and the Critical Minerals Association.

Regulatory and filing fees (Current Period - $91,704; Comparative Period - $19,531) increased due to the fee associated with the Company's admission to listing on AIM incurred in February 2021 which was not eligible for capitalization, and recurring AIM listing fees being incurred thereafter. Also included in this expense category is the annual sustaining fee payable to the TSX-V.

Accretion expense (Current Period - $15,764; Comparative Period - $131,046) relates to the unwinding of the convertible note with Osisko for $7.17 million that closed on January 26, 2018. Total accretion for the convertible note was $43,527 (Comparative Period - $376,526), of which $15,764 has been expensed in the Current Period (Comparative Period - $131,046) and $27,763 has been capitalized to property, plant and equipment (Comparative Period - $245,480). On February 19, 2021, Osisko exercised its royalty option and the note was converted into a NSR liability with the consequence that accretion was no longer incurred after this date.

Depreciation (Current Period - $23,316; Comparative Period - $44,777) decreased due to a larger depreciation charge relating to the Vancouver office in the Comparative Period, the lease of which expired at the end of April 2021. There were no new significant additions of property, plant and equipment during the Current Period for which depreciation is charged. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Period, capitalized depreciation decreased (Current Period - $20,314; Comparative Period - $26,535) as the depreciable asset base at South Crofty is reducing on account of the increasing age of property, plant and equipment at the mine site.

Other operating expenses incurred during the Current Period include the finance cost relating to the unwinding of the discount on the lease liability recognized as a consequence of IFRS 16 (Current Period – $3,895; Comparative Period – $623), and generative exploration costs of $4,376 (Comparative Period - $Nil) relating to rental expenditure for the Sleitat property in Alaska, U.S.A. In the Comparative Period, the generative exploration costs for this mineral property were incurred later in the year.

During the Current Period, an unrealized gain on marketable securities of $733,120 was recognized (Comparative Period – unrealized loss of $46,605). This gain is attributable to the increase in fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2021, using the allotment price of common shares issued by Cornish Lithium following its most recent fundraising. The realized loss arising during the Current Period (Current Period - $237; Comparative Period - $Nil) is attributable to the disposal of the Company's residual holding in a TSX-V listed company.

The loss on the disposal of property, plant and equipment (Current Period - $1,979; Comparative period - $Nil) arose as the Company disposed of its server in the Vancouver office upon expiry of the lease at the end of April 2021.

Interest income (Current Period - $497; Comparative Period - $4,318) was lower reflecting reduced interest rates being received on the Company's cash balance across the Current Period.

Commentary for the three months ended July 31, 2021

During the three months ended July 31, 2021 (the "Current Quarter"), the Company recorded income of $203,987 as compared to a loss of $390,585 for the three months ended July 31, 2020 (the "Comparative Quarter"). The Company recorded comprehensive income of $384,648 ($0.00 profit per share) in the Current Quarter as compared to comprehensive loss of $296,884 ($0.00 loss per share) in the Comparative Quarter.

The Company recognized a foreign currency translation gain of $180,661 (Comparative Quarter – $93,701) in comprehensive income arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Quarter, expenses totaled $730,917 as compared to expenses of $344,972 in the Comparative Quarter. This increase is mainly attributable to higher advertising and promotion expenditure and professional fees, offset by a lower accretion expense.

Advertising and promotion expense (Current Quarter - $113,102; Comparative Quarter - $27,307) was higher due to an increase in travel related expenditure and more public and investor relation activities in the Current Quarter as compared to the Comparative Quarter, during which these costs were absent or significantly reduced due to the COVID-19 pandemic.

Professional fees (Current Quarter - $292,137; Comparative Quarter - $16,359) increased due to higher legal fees being incurred in the Current Quarter in respect of various corporate initiatives. Also, recurring fees were paid to the joint brokers and nominated adviser after the AIM listing which were not incurred in the Comparative Quarter.

Salaries and benefits expense (Current Quarter - $232,558; Comparative Quarter - $168,577) increased due to higher compensation paid to the Company's executives as the Company's activity levels rose. In addition, fees were also payable to the chairman and other non-executive directors after the Company listed on AIM whereas previously compensation to these directors was through the award of stock options.

Share-based compensation expense (Current Quarter - $24,752; Comparative Quarter - $Nil) increased due to the award of stock options in August 2020.

Insurance expense (Current Quarter - $22,134; Comparative Quarter - $19,386) increased as the cost of arranging the Company's insurance policies rose on account of competitive pressures in the insurance market.

Office, miscellaneous and rent (Current Quarter - $17,830; Comparative Quarter - $13,058) increased due to costs being incurred to transition the Company's IT systems to the UK. In addition, higher membership and subscription fees were incurred during the Current Quarter.

Regulatory and filing fees (Current Quarter - $22,821; Comparative Quarter - $11,153) increased due to higher transfer agent fees being charged in the Current Quarter due to increased trading in the Company's common shares across two stock exchanges.

Accretion expense (Current Quarter - $Nil; Comparative Quarter - $70,665) was not incurred in the Current Quarter as Osisko exercised its royalty option on February 19, 2021 with the consequence that accretion was no longer incurred after this date. In the Comparative Quarter, total accretion for the convertible note financing was $193,405, of which $122,740 had been capitalized to property, plant and equipment and $70,665 was expensed.

Depreciation (Current Quarter - $1,207; Comparative Quarter - $22,389) decreased as there were no new additions of property, plant and equipment during the Current Quarter for which depreciation is charged, whereas in the Comparative Quarter, the Company incurred a depreciation charge relating to the Vancouver office.

During the Current Quarter, an unrealized gain on marketable securities of $733,120 was recognized (Comparative Quarter – unrealized loss of $46,605) which relates to an increase in the fair value of the Company's holding in Cornish Lithium compared to its fair value as at April 30, 2021.

Assets and Liabilities

Total assets increased to $29,484,060 as at July 31, 2021 as compared to total assets of $18,179,806 as at January 31, 2021. The increase in the Company's asset base is mainly attributable to the large increase in cash arising from the proceeds from the AIM listing in February 2021 with the other significant assets remaining broadly consistent from January 31, 2021.

The Company's cash balance increased from $353,601 as at January 31, 2021 to $10,138,512 as at July 31, 2021 principally as a result of proceeds received from the AIM listing, which more than offset the ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities increased from $1,004,307 as at January 31, 2021 to $1,734,127 at July 31, 2021, most of which represents the Company's holding in Cornish Lithium. The increase in the value of marketable securities from January 31, 2021 is attributable to the higher fair value of the Company's holding in Cornish Lithium following its most recent fundraising.

Receivables increased to $115,821 as at July 31, 2021 from $23,644 as at January 31, 2021. Receivables largely consist of sales tax receivables from the governments of Canada and the UK. The sales tax receivable balance in the UK has increased due to higher activity levels arising from the ongoing exploration program.

Prepaid expenses increased to $205,640 as at July 31, 2021 as compared to $41,691 as at January 31, 2021. Prepaid expenses increased due to the attendance fee of future investor relations conferences being paid during the Current Period, as well as certain regular expenses relating to the AIM listing that were prepaid. In addition, annual payments under the surface and mineral leases that were agreed in March 2021 were prepaid at the inception of the leases.

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

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

Deposits increased to $54,035 as at July 31, 2021, as compared to $36,976 as at January 31, 2021 due to a deposit being paid to the main contractor for the United Downs drill program. Also, included in this balance is a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment ("PPE") assets decreased to $6,315,776 as at July 31, 2021 from $6,371,852 as at January 31, 2021, with the reduction in carrying value largely arising from a foreign currency translation loss of $54,958 due to the appreciation of the Canadian dollar against the British pound since January 31, 2021. The most significant item within PPE is the capitalization of the WTP at $4,439,786 for which design and construction activities have commenced. The WTP is treated as work in progress and is therefore not depreciated. Also capitalized are right-to-use assets which at the end of the period represented use of a motor vehicle in Cornwall after the lease for the Vancouver office expired. During the Current Period, borrowing costs of $27,763 were capitalized to the WTP and land, as approximately half the proceeds from the convertible note were used towards the initial design and construction of the WTP and purchase of the land surrounding New Cook's Kitchen Shaft. After accretion was no longer incurred after the conversion of the note, no further borrowing costs have been capitalized.

Exploration and evaluation assets of $10,920,149 as at July 31, 2021, representing 37% of total assets, have increased from $9,507,859 as at January 31, 2021. The capitalization of $1,492,225 in costs during the Current Period to exploration and evaluation assets was partially offset by the reduction in carrying value arising from a foreign currency translation loss of $100,249 due to the appreciation of the Canadian dollar against the British pound since January 31, 2021. Capitalized costs relate to the Company's mineral properties in Cornwall, and include general expenditure at the South Crofty mine, such as salaries, utility expenses, lease payments and general maintenance expenses of the mine. In addition, costs of $827,913 were capitalized in connection with the ongoing exploration program at United Downs during the Current Period (excluding capitalized depreciation and foreign exchange movements), most of which related to drilling costs.

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

	January 31, 2021	Expended during the period	**July 31, 2021**
Cornwall Mineral Properties, UK			
Exploration costs	$ 1,951,157	$ 973,980	**$ 2,925,137**
Tenure and utility costs	1,009,792	124,331	**1,134,123**
Office and remuneration costs	3,261,128	393,914	**3,655,042**
Capitalized depreciation	398,328	20,314	**418,642**
Asset acquisition	3,023,374	-	**3,023,374**
Recovery of costs	(320,695)	-	**(320,695)**
Foreign currency translation	184,775	(100,249)	**84,526**
	$ 9,507,859	$ 1,412,290	**$ 10,920,149**

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

Current liabilities decreased to $685,309 as at July 31, 2021 from $967,513 as at January 31, 2021 due to the timing of settling contractual obligations, in particular professional fees relating to the AIM listing, residual costs from the 'proof of concept' drill program at South Crofty and settlement of the final installment relating to the delivery of the dewatering pumps.

Total long-term liabilities decreased to $8,543,998 at July 31, 2021 from $8,880,317 as at January 31, 2021 due to the conversion of the note held by Osisko into the NSR liability. As at the date of conversion of the note, the NSR liability was initially recorded at fair value, net of transaction costs. The fair value was determined as the aggregate of the carrying value of the debt component of the note at the date of conversion and the carrying value of the royalty component which had remained unchanged since inception of the note in January 2018. Since the NSR liability is denominated in US dollars, a foreign currency translation adjustment arises at each reporting date as it is converted into Canadian dollars for presentational purposes.

Summary of Quarterly Results

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

Quarter ending	**Interest income $**	**Income (loss) from continued operations $**	**Basic and Diluted Loss per share from loss $**
July 31, 2021	$ 305	$ 203,987	$ 0.00
April 30, 2021	192	(1,301,049)	(0.01)

January 31, 2021	20	(104,401)	(0.00)
October 31, 2020	199	(704,522)	(0.01)
July 31, 2020	1,059	(390,585)	(0.00)
April 30, 2020	3,259	(398,893)	(0.00)
January 31, 2020	385	(2,336,588)	(0.05)
October 31, 2019	863	(203,274)	(0.00)

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

Quarterly losses have generally arisen largely due to operating expenses being incurred for the development of the Company's mineral properties in Cornwall, which are not eligible for capitalization, and at a corporate level more generally. Corporate activities include preparatory work for fundraising and other financing initiatives, with the timing of such work impacting the quarterly results.

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

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

Liquidity and Capital Resources

The Company's working capital as at July 31, 2021 was $11,508,791 as compared to working capital of $1,295,606 as at January 31, 2021. Cash increased by $9,784,911 in the Current Period (Comparative Period – decreased by $412,185) to $10,138,512 as at July 31, 2021. A foreign currency translation loss of $186,783 (Comparative Period – $4,038) arose as the Canadian dollar has appreciated since February 2021 when the proceeds from the AIM listing were received which were substantially denominated in British pounds.

Net cash used in operations during the Current Period was $1,710,060 (Comparative Period - $657,510). Changes in working capital items during the Current Period included an increase in receivables of $92,177, an increase in prepaid expenses of $76,990 and a decrease in payables and accrued liabilities of $35,451.

During the Current Period, the Company used $1,383,840 (Comparative Period – $838,790) for investing activities, including $81,890 for the acquisition of PPE, mostly reflecting settlement of the final installment relating to the delivery of the dewatering pumps, and $1,287,953 for expenditure which was capitalized to exploration and evaluation assets, the majority of which was incurred in connection with the ongoing exploration program at United Downs. In the Comparative Period, $458,983 was incurred on exploration and evaluation assets and $318,007 was incurred on PPE.

Net cash arising from financing activities was $13,065,594 in the Current Period (Comparative Period –$1,088,153). Pursuant to the AIM listing, the Company received $14,244,206 in gross subscriptions and settled $1,162,613 in share issue costs. Overall proceeds from the AIM listing were $14,434,108, of which $189,902 had been received in advance by January 31, 2021. Total share issue costs amounted to $1,506,824. After settlement of all share issue costs, the net proceeds from the AIM listing amounted to $12,927,284.

During the Current Period, 2,575,000 warrants and 200,000 options were exercised for proceeds of $235,750 (Comparative Period - $Nil). The Company also made lease payments of $25,459 (Comparative Period - $39,920) and settled transaction costs arising on the conversion of the note of $226,290 (Comparative Period - $Nil). Total transaction costs associated with the conversion of the note amounted to $275,464.

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

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

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

Risks and Uncertainties

Liquidity and going concern risks

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

As at July 31, 2021, the Company had current assets of $12,194,100 to settle current liabilities of $685,309. Although the Company has positive working capital of $11,508,791 as at July 31, 2021, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure, including further exploration work, if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

The Company's consolidated condensed interim financial statements for the period ended July 31, 2021 have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company and further exploration and development of its mineral properties is dependent on the Company's ability to obtain additional financing and generate profitable operations in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

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

Foreign currency risk

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

Credit risk

The maximum exposure to credit risk is the carrying value of the Company's receivables and cash. The Company's receivables consist primarily of sales tax receivables due from the Canadian and UK governments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is minimal as cash is placed in deposits held with Canadian and British financial institutions that generate low investment returns. Furthermore, the Company has no financial liabilities subject to variable interest rates.

Equity market risk

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

Commodity price risk

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

Outstanding Share Data

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

As at September 22, 2021, there were 269,920,157 common shares issued and outstanding.

As at September 22, 2021, the Company had the following stock options and warrants outstanding:

	Number of shares		Exercise Price	Number exercisable	Expiry date
Options	1,925,000	$	0.15	1,925,000	January 3, 2022
	1,855,000		0.20	1,855,000	November 3, 2022
	5,150,000		0.10	5,150,000	August 19, 2025
Warrants	5,950,000	$	0.07	5,950,000	February 3, 2023
	4,122,222		0.10	4,122,222	November 9, 2022

During the Current and Comparative Periods, the Company granted no stock options.

During the Current Period, the Company recorded $76,548 (Comparative Period - $Nil) in share-based compensation expense.

Transactions with Related Parties

The Company entered into the following transactions with related parties during the Current and Comparative Periods:

a) Paid $3,686 to North Arrow, a company with two common directors, for office space and administrative services (July 31, 2020 - $3,680), of which $163 was included in accounts payable and accrued liabilities (January 31, 2021 - $Nil), and received $1,879 as an expense reimbursement (July 31, 2020 - $1,879) which was included in receivables (January 31, 2021 - $Nil); and

b) Received $5,458 from Winshear Gold Corp., a company with a common director, relating to an apportionment of administrative costs, benefits and rent for the Vancouver office (July 31, 2020 - $5,703), of which $270 was included in receivables (January 31, 2021 - $1,919).

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

	Three Months Ended		**Six Months Ended**	
	July 31, 2021	July 31, 2020	**July 31, 2021**	July 31, 2020
Salaries and benefits[1]	**$ 184,840**	$ 141,709	**$ 341,669**	$ 283,683
Directors' fees	**22,500**	-	**40,982**	-
Share-based compensation	**24,752**	-	**76,548**	-
Total	**$ 232,092**	$ 141,709	**$ 459,199**	$ 283,683

1 Allocated $328,819 (July 31, 2020 - $281,533) to salaries and benefits and $12,850 (July 31, 2020 - $2,150) to professional fees.

Commitments

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

The Company also has outstanding commitments relating to the construction of the water treatment plant for $250,000. The timing of payments relating to these commitments is uncertain, and would depend on the progress of construction.

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

- an advance payment of £50,000 per annum (equivalent to $87,000 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 £50,000 on ore extracted from property that falls within the mineral rights held by the owner which varies according to the prevailing tin price.

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

Financial Instruments

A description of the Company's financial instruments and the financial risks to which the Company is exposed can be found in note 3 of the consolidated condensed interim financial statements for the six months ended July 31, 2021 and 2020.

Capital Management

A description of the Company's capital management can be found in note 12 of the consolidated condensed interim financial statements for the six months ended July 31, 2021 and 2020.

Significant Accounting Estimates and Judgments

A description of the Company's significant accounting estimates and judgments can be found in note 3a of the audited consolidated financial statements for the years ended January 31, 2021 and 2020.

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 equity, statement of income (loss) and comprehensive income (loss) and the exploration and evaluation assets note contained in its consolidated condensed interim financial statements for six months ended July 31, 2021 and 2020 prepared in accordance with IFRS. These statements are available on SEDAR at www.sedar.com.

Additional Information

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

Forward-Looking Statements

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

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's ability to evaluate and develop the South Crofty tin project and other Cornwall mineral properties, including, but not limited to: obtaining the required consents and permissions for further development of the South Crofty tin project and other Cornwall mineral properties; assumptions included in the PEA and the likelihood that any of these assumptions will be realized; project growth opportunities for the South Crofty tin project and other Cornwall mineral properties; obtaining financing when required and on terms acceptable to the Company; the Company's ability to maintain its exploration and evaluation assets in good standing; the Company's ability to construct and operate the WTP within the terms of the applicable regulatory requirements; the Company's ability to comply with the terms of the royalty agreements pursuant to the NSR on the South Crofty tin project and other Cornwall mineral properties, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, success of exploration activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

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

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

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

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the UK Pound Sterling, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, except as required by law.

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

Approval

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