

CORNISH METALS INC.
(Formerly STRONGBOW EXPLORATION INC.)

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cornish Metals Inc. (formerly Strongbow Exploration Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Cornish Metals Inc. (formerly Strongbow Exploration Inc.) (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has sustained substantial losses from operations since inception, has no current source of revenue and is dependent on its ability to obtain additional financing and generate profitable operations in the future. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

May 13, 2021

CORNISH METALS INC. (FORMERLY STRONGBOW EXPLORATION INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at January 31
(Expressed in Canadian dollars)

	2021	2020
ASSETS		
Current		
Cash	\$ 353,601	\$ 1,305,253
Marketable securities (Note 5)	1,004,307	547,721
Receivables (Notes 6 and 19)	23,644	23,414
Deferred financing fees (Note 7)	688,839	-
Deferred costs on conversion of royalty option (Note 14)	151,037	-
Prepaid expenses	<u>41,691</u>	<u>54,702</u>
	2,263,119	1,931,090
Deposits	36,976	36,829
Property, plant and equipment (Note 8)	6,371,852	5,966,727
Exploration and evaluation assets (Note 10)	<u>9,507,859</u>	<u>7,928,688</u>
	\$ 18,179,806	\$ 15,863,334
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 947,124	\$ 610,288
Lease liability (Note 12)	<u>20,389</u>	<u>78,595</u>
	967,513	688,883
Lease liability (Note 12)	-	20,313
Debt (Note 14)	5,993,803	5,210,765
Royalty option (Note 14)	<u>2,886,514</u>	<u>2,886,514</u>
	<u>9,847,830</u>	<u>8,806,475</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 15)	40,737,065	37,271,686
Share subscriptions received in advance (Note 15)	189,902	1,175,000
Capital contribution (Note 13)	2,007,665	2,007,665
Share-based payment reserve (Note 15)	846,212	732,930
Foreign currency translation reserve	239,028	149,996
Deficit	<u>(35,687,896)</u>	<u>(34,280,418)</u>
	<u>8,331,976</u>	<u>7,056,859</u>
	\$ 18,179,806	\$ 15,863,334

Nature and Continuance of Operations and Going Concern Assumption (Note 1)

Commitments (Note 18)

Subsequent Events (Note 23)

Approved and authorized on behalf of the Board on May 13, 2021:

“Patrick Anderson”

Director

“Richard Williams”

Director

The accompanying notes are an integral part of these consolidated financial statements.

CORNISH METALS INC. (FORMERLY STRONGBOW EXPLORATION INC.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	2021	2020
EXPENSES		
Accretion (Notes 13 and 14)	\$ 292,076	\$ 218,408
Advertising and promotion	134,790	406,705
Depreciation (Note 8)	87,034	91,400
Finance cost (Note 12)	9,717	4,072
Insurance	79,270	78,964
Office, miscellaneous and rent (Notes 12 and 19)	36,708	15,073
Professional fees (Note 19)	305,633	241,021
Generative exploration costs	3,970	6,242
Regulatory and filing fees	30,567	14,074
Share-based compensation (Notes 15 and 19)	304,204	-
Salaries and benefits (Note 19)	<u>702,758</u>	<u>699,746</u>
Total operating expenses	(1,986,727)	(1,775,705)
Interest income	4,537	8,162
Foreign exchange loss	(8,007)	(23,439)
Unrealized gain on marketable securities (Note 5)	391,797	164,344
Realized gain on marketable securities (Note 5)	-	30,019
Write off of deferred financing fees (Note 7)	-	(582,617)
Impairment of royalties (Note 9)	-	(1,500,000)
Impairment of exploration and evaluation assets (Note 10)	<u>-</u>	<u>(879,942)</u>
Loss for the year	(1,598,400)	(4,559,178)
Foreign currency translation	<u>89,032</u>	<u>149,996</u>
Total comprehensive loss for the year	\$ (1,509,368)	\$ (4,409,182)
Basic and diluted loss per share	\$ (0.01)	\$ (0.05)
Weighted average number of common shares outstanding	135,320,393	86,768,585

The accompanying notes are an integral part of these consolidated financial statements.

CORNISH METALS INC. (FORMERLY STRONGBOW EXPLORATION INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (1,598,400)	\$ (4,559,178)
Items not involving cash:		
Accretion	292,076	218,408
Depreciation	87,034	91,400
Share-based compensation	304,204	-
Finance cost	9,717	4,072
Realized gain on marketable securities	-	(30,019)
Unrealized gain on marketable securities	(391,797)	(164,344)
Impairment of exploration and evaluation assets	-	879,942
Impairment of royalties	-	1,500,000
Write off of deferred financing fees	-	582,617
Foreign exchange loss	-	23,439
Changes in non-cash working capital items:		
Increase in receivables	(116)	(11,308)
Decrease in prepaid expenses	21,470	81,788
Increase in accounts payable and accrued liabilities	<u>11,244</u>	<u>23,092</u>
Net cash used in operating activities	<u>(1,264,568)</u>	<u>(1,360,091)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(315,779)	(18,291)
Acquisition of exploration and evaluation assets	(1,330,906)	(1,366,235)
Proceeds from the sale of marketable securities, net	-	880,019
Increase in deposits	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(1,646,685)</u>	<u>(504,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement financing	1,177,500	-
Proceeds from fundraising received in advance of share issue	189,902	1,175,000
Proceeds from warrant exercise	1,134,500	-
Share issue costs	(49,427)	(750)
Increase in deferred financing fees	(344,211)	(71,458)
Increase in deferred costs on conversion of royalty option	(49,174)	-
Lease payments	<u>(88,338)</u>	<u>(85,545)</u>
Net cash provided by financing activities	<u>1,970,752</u>	<u>1,017,247</u>
Impact of foreign exchange on cash	<u>(11,151)</u>	<u>(9,168)</u>
Change in cash during the year	(951,652)	(856,519)
Cash, beginning of the year	<u>1,305,253</u>	<u>2,161,772</u>
Cash, end of the year	<u>\$ 353,601</u>	<u>\$ 1,305,253</u>
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 21)

The accompanying notes are an integral part of these consolidated financial statements.

CORNISH METALS INC. (FORMERLY STRONGBOW EXPLORATION INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	Number of shares	Capital stock	Share subscriptions received in advance	Capital contribution	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance at January 31, 2019	86,768,585	\$ 37,271,571	\$ -	\$ 507,665	\$ 816,274	\$ -	\$ (29,775,913)	\$ 8,819,597
Foreign currency translation	-	-	-	-	-	149,996	-	149,996
Commitment to issue shares pursuant to fundraising	-	-	1,175,000	-	-	-	-	1,175,000
Share issue costs	-	(28,556)	-	-	-	-	-	(28,556)
Settlement of line of credit (Note 13)	-	-	-	1,500,000	-	-	-	1,500,000
Forfeiture and expiry of stock options and warrants	-	28,671	-	-	(83,344)	-	54,673	-
Loss for the year	-	-	-	-	-	-	(4,559,178)	(4,559,178)
Balance at January 31, 2020	86,768,585	37,271,686	1,175,000	2,007,665	732,930	149,996	(34,280,418)	7,056,859
Foreign currency translation	-	-	-	-	-	89,032	-	89,032
Share issuance pursuant to private placement financing	47,050,000	2,352,500	(1,175,000)	-	-	-	-	1,177,500
Share issue costs	-	(21,621)	-	-	-	-	-	(21,621)
Commitment to issue shares pursuant to AIM listing	-	-	189,902	-	-	-	-	189,902
Warrant exercise	16,100,000	1,134,500	-	-	-	-	-	1,134,500
Forfeiture and expiry of stock options	-	-	-	-	(190,922)	-	190,922	-
Share-based compensation	-	-	-	-	304,204	-	-	304,204
Loss for the year	-	-	-	-	-	-	(1,598,400)	(1,598,400)
Balance at January 31, 2021	149,918,585	\$ 40,737,065	\$ 189,902	\$ 2,007,665	\$ 846,212	\$ 239,028	\$ (35,687,896)	\$ 8,331,976

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN ASSUMPTION

Cornish Metals Inc. (formerly Strongbow Exploration Inc.) (the “Company” or “Cornish Metals”) exists under the laws of the *Canada Business Corporations Act* (“CBCA”). The Company changed its name from Strongbow Exploration Inc. to Cornish Minerals Inc. on July 29, 2020.

The Company trades on the TSX Venture Exchange (“TSX-V”) and the AIM market of the London Stock Exchange Plc (“AIM”) (TSX-V/AIM – CUSN). The Company’s head office is located at Suite 960 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2. The Company has two wholly-owned subsidiaries: Strongbow Alaska, Inc. which is incorporated under the laws of Alaska, USA and Cornish Metals Limited (“Cornish Metals Ltd.”) (formerly Strongbow Exploration (UK) Limited), which is incorporated under the laws of the United Kingdom.

The Company’s principal business activity is the acquisition, exploration and future development of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its exploration and evaluation assets and upon future profitable production.

These consolidated financial statements 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 exploration and evaluation assets 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. 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.

As at January 31, 2021, the Company had current assets of \$2,263,119 to settle current liabilities of \$967,513. Although the Company has positive working capital of \$1,295,606 as at January 31, 2021, the Company may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms. Failure to obtain additional financing when required may result in the loss of some, or all, of the Company’s exploration and evaluation assets (Note 10).

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements have been prepared on a historical basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in these consolidated financial statements are based on IFRS as of January 31, 2021.

The financial statements were approved by the Board of Directors on May 13, 2021.

b) New standards not yet adopted

The Company has not applied the following revised IFRS that has been issued but was not yet effective at January 31, 2021. The accounting standard is not currently expected to have a significant effect on the Company’s accounting policies or financial statements.

2. BASIS OF PRESENTATION - Continued

b) New standards not yet adopted - Continued

- IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use* (effective January 1, 2022). The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management judgment and estimates include:

- Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.
- Share-based payments - the Company uses the Black-Scholes Option Pricing Model for the valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, expiry date, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net income/loss and share-based payment reserve.
- Valuation of debt and royalty option - the Company has issued a convertible note which is convertible into a 1.5% net smelter return royalty ("NSR") on all metals and minerals produced from the Company's South Crofty Tin Project. The Company bifurcated the convertible note into debt and a royalty option with the debt portion being the more easily measured value. The debt portion is initially recorded at its fair value using a 14% discount rate based on an estimated number of years to reach mine production. The debt will then be accreted over this estimated term. The remaining balance of the convertible note is attributed to the royalty option. The Company has determined that the royalty option is a non-financial liability.
- Impairment - Management applies significant judgment in assessing each cash-generating unit and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by management and compared, when applicable, to relevant market consensus views.
- Deferred financing fees - Considerable judgment is required to be exercised on the likely successful completion of equity financing to which deferred financing fees relate. These fees are carried at cost on the consolidated statement of financial position with the likelihood of the related equity financing being reviewed at the reporting date. If the related equity financing is unlikely to complete as contemplated, deferred financing fees are written off to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

a) Significant accounting estimates and judgments - Continued

- (vi) Valuation of marketable securities (private shares) – shares which are not traded in an active market are adjusted at the period end to reflect management’s estimated fair value. The most reliable indicator of fair value is the most recent third party sale/purchase transaction in the shares, but if this is not available, significant judgement is applied by management in estimating fair value which may involve subjective assessments of results, business plans and other developments of the investee company that are not based on observable market data.
- (vii) Functional currency – items included in the accounts of each of the Company’s entities are measured using the currency of the primary economic environment in which an entity operates. For those entities resident in the UK, management has determined the functional currency to be the British pound. Judgement is required to be exercised in determining the functional currency, including assessing the underlying transactions, events and conditions which are relevant to an entity. Management has considered the currency of funds raised from financing activities and in which most expenditure is denominated as being most relevant in reaching its determination for those entities resident in the UK.

b) Principles of consolidation

These consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Strongbow Alaska, Inc.	Alaska, USA	100%	Exploration and development company
Cornish Metals Limited (“CML”)	United Kingdom	100%	Holding company
South Crofty Limited (formerly Western United Mines Limited) (“SCL”)	United Kingdom	100% subsidiary of CML	Exploration and development company
Cornish Minerals Limited (Bermuda) (“CMLB”)	Bermuda	100% subsidiary of CML	Holding company for mineral leases

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company transactions and balances have been eliminated upon consolidation.

c) Foreign currency translation

Presentational and functional currency

These consolidated financial statements are presented in Canadian dollars.

Items included in the accounts of each of the Company’s entities are measured using the currency of the primary economic environment in which an entity operates (the “functional currency”). The functional currency of the Company is the Canadian dollar, British pound for its UK subsidiaries, and US dollar for Strongbow Alaska, Inc. and CMLB. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* (“IAS 21”).

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

c) Foreign currency translation - Continued

Translation of subsidiary results into the presentation currency

The results and financial position of all the Company's subsidiaries with functional currencies different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of income are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale of investment.

d) Share-based compensation

The Company grants share purchase options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model. The fair value of the share purchase options considers the terms and conditions upon which the share purchase options were granted. The fair value of the options granted is recognized as a share-based compensation expense with a corresponding increase in equity. The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest. The share-based payment reserve reflects the fair value of unexpired options outstanding at the period end.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

If vested options or warrants are forfeited, cancelled or are not exercised at the expiry date, the amount previously recognized in share-based compensation is transferred to deficit.

e) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the period end, and adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

e) Income taxes - Continued

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities that do not affect accounting or taxable profit; and
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

f) Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share.

g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment is comprised of its purchase price and any directly attributable costs in bringing the assets to their working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as an expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the assets beyond the originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is provided for annually at the following rates:

Computer equipment	3 years straight line
Software	3 years straight line
Furniture & fixtures	10 years straight line
Motor vehicles	4 years straight line
Equipment	5 years straight line
Right-of-use assets	the term of the lease

Land is not depreciated.

The water treatment plant (in progress) is currently not depreciated. Depreciation will commence once the asset is complete and available for use.

The remaining useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of property, plant and equipment are included in profit or loss in the period of retirement or disposal.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

h) Exploration and evaluation assets

Exploration and evaluation assets are capitalized as tangible assets on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through development and exploitation, the capitalized expenditure is first tested for impairment, then transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment reviews for deferred exploration and evaluation assets are carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices render the project uneconomic; and
- Lack of available financing to progress the project.

Where the Company enters into exploration option agreements with third parties, the Company may acquire or dispose of mineral rights and certain benefits attached to those mineral rights. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets when payments are made, or as recoveries when payments are received, either against exploration and evaluation assets or as income within profit or loss depending on the nature of the option agreement.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to develop its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production.

i) Royalty interests

Royalty interests in mineral properties include acquired royalty interests in exploration stage properties. In accordance with *IAS 38 Intangible Assets*, the cost of acquired royalty interests in mineral properties is capitalized as intangible assets.

Acquisition costs of royalty interests on exploration stage mineral properties, where there are no estimated reserves, are not amortized. At such time as the associated exploration stage mineral interests are converted to estimated reserves, the cost basis is amortized over the remaining life of the mineral property, using the estimated reserves. The carrying values of exploration stage mineral interests are evaluated for impairment when information becomes available indicating that production will not occur in the future.

j) Marketable securities

Marketable securities are measured at fair value and consist of shares in public companies listed on the TSX-V and common shares in private companies. Shares which are traded in an active market, such as the TSX-V, are measured at fair value based on quoted closing bid prices at the period end or the closing bid price on the last day the share traded if there were no trades at the period end. The fair value of shares which are not traded in an active market are originally recorded at cost and then adjusted at the period end to reflect management's estimated fair value. Indicators of fair value include recent third party sale/purchase transactions of shares as reported to the Company and the financial condition of the investee company reflecting operational and financial results, business plans and other developments.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

k) Deferred financing fees

Legal fees, professional fees and other expenses related to equity financings are deferred until these financings close, at which time they will be offset against proceeds from the financing to which they relate. Should the financings not close as contemplated, these deferred financing fees will be expensed.

l) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the "probable economic benefits" test and are also rarely debt funded. Any related borrowing costs incurred during this phase are therefore generally recognized in profit or loss in the period they are incurred.

n) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbances are caused by the exploration or development of exploration and evaluation assets due to statutory, contractual, constructive or legal obligations. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises.

The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

n) Environmental rehabilitation - continued

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred.

o) Financial instruments

The Company classifies its financial assets in the following categories: fair value through profit or loss ("FVTPL") or amortized cost. The classification depends on the purpose for which the financial assets were acquired. The classification of the Company's financial assets are determined at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. For trade receivables, the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

p) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share based payments.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, lease liabilities and debt. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity and have been classified at amortized cost. Cash has been classified at FVTPL and is recorded at fair value consistent with level 1 of the fair value hierarchy. Marketable securities which are publicly traded, have been classified at FVTPL and are recorded at fair value based on the quoted market prices in active markets at the period end, which is consistent with level 1 of the fair value hierarchy; marketable securities that are not publicly traded are recorded at fair value using estimates consistent with level 3 of the fair value hierarchy (inputs are not based on observable market data). Lease liabilities and debt are initially recorded at fair value and subsequently carried at amortized cost.

The Company is exposed to a variety of financial risks by virtue of its activities, including liquidity risk, credit risk, foreign currency risk, interest rate risk, equity market risk and commodity price risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance and position. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings and asset sales, or a combination thereof. The Company has no regular cash flow from its operating activities. 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. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Company's properties, and could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM. As at January 31, 2021, the Company had current assets of \$2,263,119 to settle current liabilities of \$967,513.

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.

Foreign currency risk

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

For the year ended January 31, 2021, with other variables unchanged, a 5% increase or decrease of the British pound and the US dollar against the Canadian dollar would increase or decrease financial assets and liabilities by approximately \$24,300.

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 and furthermore, the Company has no financial liabilities subject to variable interest rates.

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Continued

Equity market risk

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

Commodity price risk

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

5. MARKETABLE SECURITIES

The Company holds common shares in one TSX-V listed company (January 31, 2020 – one TSX-V listed company) and in two private mineral exploration companies (January 31, 2020 – two private mineral exploration companies).

	January 31, 2021		January 31, 2020	
	Cost	Fair market value	Cost	Fair market value
Public company shares	\$ 4,000	\$ 3,300	\$ 4,000	\$ 2,600
Private company shares	346,014	1,001,007	281,225	545,121
	\$ 350,014	\$ 1,004,307	\$ 285,225	\$547,721

During the year ended January 31, 2021, the Company received common shares of a private company at a value of \$64,789 (2020 - \$64,445) pursuant to an option agreement, which were recorded as a recovery against exploration and evaluation assets (Note 10).

During the year ended January 31, 2021, the Company recorded an unrealized gain of \$391,797 (2020 – \$164,344) associated with the change in fair value of marketable securities.

During the year ended January 31, 2020, the Company received net proceeds of \$880,019 and recognized a realized gain of \$30,019 from the sale of marketable securities, which related to the sale of shares in Westhaven Gold Corp. (formerly Westhaven Ventures Inc.) ("Westhaven"), a company related to the Company by virtue of a common director (D. Grenville Thomas).

6. RECEIVABLES

	January 31, 2021		January 31, 2020	
VAT receivables	\$	8,767	\$	19,726
GST receivables		5,866		2,090
Related party receivable		1,919		1,535
Other receivables		7,092		63
Total	\$	23,644	\$	23,414

7. DEFERRED FINANCING FEES

Deferred financing fees of \$688,839 (January 31, 2020 - \$Nil) consist primarily of legal, accounting and related professional fees incurred in connection with a 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 were applied against the gross proceeds raised from the listing as of this date (Note 23).

During the year ended January 31, 2020, the Company wrote off deferred financing fees of \$582,617 in connection with the Company's previous attempt to list its common shares with a concurring financing on AIM that did not materialize.

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8. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer equipment	Software	Furniture & fixtures	Land & site	Motor vehicles	Right-of-use real estate	Water treatment plant* (in progress)	Equipment	Total
As at January 31, 2019	\$ 49,305	\$ 36,698	\$ 25,205	\$1,610,765	\$ 18,918	\$ -	\$ 3,241,364	\$ 284,471	\$ 5,266,726
Adoption of IFRS 16	-	-	-	-	-	187,248	-	-	187,248
Lease modification and remeasurement	-	-	-	-	-	(6,867)	-	-	(6,867)
Additions	1,819	10,498	2,341	-	-	-	389,482	3,110	407,250
Capitalized borrowing costs	-	-	-	118,556	-	-	372,404	-	490,960
Foreign currency translation	438	323	361	(14,168)	225	-	44,839	3,253	35,271
As at January 31, 2020	51,562	47,519	27,907	1,715,153	19,143	180,381	4,048,089	290,834	6,380,588
Lease modification and remeasurement	-	-	-	-	-	102	-	-	102
Additions	3,240	-	-	-	-	-	16,359	4,357	23,956
Capitalized borrowing costs	-	-	-	118,557	-	-	372,405	-	490,962
Foreign currency translation	268	167	165	8,505	117	-	19,928	1,737	30,887
As at January 31, 2021	\$ 55,070	\$ 47,686	\$ 28,072	\$1,842,215	\$ 19,260	\$ 180,483	\$ 4,456,781	\$ 296,928	\$ 6,926,495
Accumulated depreciation									
As at January 31, 2019	\$ (15,410)	\$ (32,934)	\$ (7,215)	\$ -	\$ (11,822)	\$ -	\$ -	\$ (199,728)	\$ (267,109)
Depreciation	(4,558)	(4,384)	-	-	-	(82,458)	-	-	(91,400)
Capitalized depreciation	(11,370)	-	(2,195)	-	(4,897)	-	-	(32,482)	(50,944)
Foreign currency translation	(468)	(323)	(157)	-	(289)	-	-	(3,171)	(4,408)
As at January 31, 2020	(31,806)	(37,641)	(9,567)	-	(17,008)	(82,458)	-	(235,381)	(413,861)
Depreciation	(4,236)	(4,827)	-	-	-	(77,971)	-	-	(87,034)
Capitalized depreciation	(11,894)	-	(2,249)	-	(2,109)	-	-	(34,752)	(51,004)
Foreign currency translation	(354)	(168)	(102)	-	(143)	-	-	(1,977)	(2,744)
As at January 31, 2021	\$ (48,290)	\$ (42,636)	\$ (11,918)	\$ -	\$ (19,260)	\$ (160,429)	\$ -	\$ (272,110)	\$ (554,643)
Net book value									
As at January 31, 2020	\$ 19,756	\$ 9,878	\$ 18,340	\$1,715,153	\$ 2,135	\$ 97,923	\$ 4,048,089	\$ 55,453	\$ 5,966,727
As at January 31, 2021	\$ 6,780	\$ 5,050	\$ 16,154	\$1,842,215	\$ -	\$ 20,054	\$ 4,456,781	\$ 24,818	\$ 6,371,852

*The water treatment plant (in progress) is currently not depreciated. Depreciation will commence once the asset is complete and available for its intended use.

9. ROYALTIES

Mactung and Cantung royalty acquisition

In March 2016, the Company purchased from Teck Resources Limited (“Teck”) a 4% NSR on the Mactung tungsten project (one-half of which (2%) may be purchased by the property owner at any time for \$2,500,000) and a 1% NSR on the Cantung tungsten project (collectively, the “Royalties”). The Mactung project (non-producing) is located in the Yukon and the Northwest Territories in Canada; the Cantung project (non-producing) is located in the Northwest Territories in Canada. The Company paid \$1,500,000 to Teck upon closing of the acquisition and will make a further \$1,500,000 payment to Teck on the earlier of a development decision at Mactung or the re-commencement of commercial production at Cantung.

Osisko Gold Royalties Ltd. (“Osisko”), a significant shareholder of the Company, provided a \$1,500,000 interest-free line of credit to the Company to complete the royalty acquisition which has since been settled in full (Note 13).

During the year ended January 31, 2020, the Company impaired the Royalties as management believed that a sustained improvement in tungsten prices was required before the Mactung and Cantung projects become viable. This assessment was supported by the likely capital requirements to develop the projects, their remote location and that neither of the projects was in operation. Management continues to review the ongoing joint marketing of the projects being conducted by the Government of the Northwest Territories and the Government of Canada.

10. EXPLORATION AND EVALUATION ASSETS

	January 31, 2020	Expended during the year	January 31, 2021
Cornwall Mineral Properties, UK			
Exploration costs	\$ 1,063,273	\$ 887,884	\$ 1,951,157
Tenure and utility costs	861,485	148,307	1,009,792
Office and remuneration costs	2,777,237	483,891	3,261,128
Capitalized depreciation	347,324	51,004	398,328
Asset acquisition	3,023,374	-	3,023,374
Recovery of costs	(255,906)	(64,789)	(320,695)
Foreign currency translation	111,901	72,874	184,775
	<u>\$ 7,928,688</u>	<u>\$ 1,579,171</u>	<u>\$ 9,507,859</u>

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10. EXPLORATION AND EVALUATION ASSETS – Continued

	January 31, 2019	Expended during the year	Impaired during the year	January 31, 2020
Tin Properties, Alaska, USA				
Exploration costs	\$ 18,833	\$ 18,424	\$ (37,257)	\$ -
Tenure costs	173,529	-	(173,529)	-
Geological and assays	6,388	-	(6,388)	-
Office and remuneration costs	3,587	-	(3,587)	-
Asset acquisition	656,134	-	(656,134)	-
Foreign currency translation	-	3,047	(3,047)	-
	<u>858,471</u>	<u>21,471</u>	<u>(879,942)</u>	<u>-</u>
Cornwall Mineral Properties, UK				
Exploration costs	829,678	233,595	-	1,063,273
Tenure and utility costs	721,165	140,320	-	861,485
Office and remuneration costs	1,841,412	935,825	-	2,777,237
Capitalized depreciation	296,380	50,944	-	347,324
Asset acquisition	3,023,374	-	-	3,023,374
Recovery of costs	(191,461)	(64,445)	-	(255,906)
Foreign currency translation	-	111,901	-	111,901
	<u>6,520,548</u>	<u>1,408,140</u>	<u>-</u>	<u>7,928,688</u>
	<u>\$ 7,379,019</u>	<u>\$ 1,429,611</u>	<u>\$ (879,942)</u>	<u>\$ 7,928,688</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.

a) Cornwall Mineral Properties, UK

On March 16, 2016, the Company entered into a Share Purchase Agreement (“SPA”) with Galena Special Situations Fund (“Galena”) and Tin Shield Production Ltd. (“Tin Shield”) (collectively, the “Sellers”). Under the terms of this SPA, on July 11, 2016, the Company acquired, from administration, a 100% interest in the South Crofty Tin Project and associated mineral rights in Cornwall, UK (collectively the “Cornwall Mineral Properties”). The Company, through its wholly-owned subsidiary, CML, owns a 100% interest in SCL and CMLB (collectively the “Companies”). The Companies hold the rights to the South Crofty underground mine permission area, plus additional mineral rights located in various parts of Cornwall, UK.

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

a) Cornwall Mineral Properties, UK - *Continued*

In addition to the cash and common share consideration of \$1,853,374 paid on July 11, 2016, the Company agreed to the following additional payments and share issuances under the terms of the SPA:

- Cornish Metals to make a \$2,000,000 payment to the Sellers on the second anniversary of the approval vote by creditors for South Crofty's exit from administration (date set at June 10, 2018). During the year ended January 31, 2019, Cornish Metals issued 8,546,604 shares in satisfaction of this commitment.
- Cornish Metals to issue 1,000,000 common shares to the Sellers upon receipt of a permit to increase water discharge from the old mine workings from 10,000m³ per day to 25,000m³ per day (issued November 1, 2017 at a value of \$180,000).
- Cornish Metals to issue 2,000,000 common shares to the Sellers on delivery of a positive feasibility study or commencement of commercial production, whichever occurs first.
- Cornish Metals to make 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 Cornish Metals's market capitalization is less than the NPV of the project when a production decision is made, Cornish Metals 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.
- In the event that Cornish Metals transfers any assets, rights, or entitlements to certain mineral rights which are not part of the core mineral rights (the "Other Mineral Rights") to a third party before the agreed consideration has been paid to the Sellers, then the Sellers will be entitled to receive a payment equal to 10% of any consideration received for the Other Mineral Rights, to a maximum of \$1,000,000.

b) Cornish Lithium exploration option agreement

In January 2017, CML and Cornish Lithium Limited ("CLL"), a private UK company, entered into an exploration option agreement whereby CLL has the right to explore for, and potentially develop, lithium in hot springs brines and associated geothermal energy from the Company's mineral rights in Cornwall, UK. The Company will have a 25% free carried interest in the first project to have a bankable feasibility study completed on it, after which the Company will be required to contribute its share of development costs or be diluted. The Company will have a 10% free carried interest on subsequent development projects as well as a 2% gross revenue royalty payable from the production of metals from brines or from any geothermal energy produced and sold by CLL.

Under the terms of the agreement, CLL agreed to issue common shares with a value US\$50,000 concurrently with its first financing (received – August 2017) and, to keep the agreement in good standing, to issue common shares with a value of US\$50,000 on the first, second, third and fourth anniversary of the agreement. From the fifth anniversary date of the agreement, CLL will make annual payments of US\$100,000, in cash or common shares of CLL, at its election. From the tenth anniversary date of the agreement, CLL will make annual payments of US\$500,000 in cash or common shares of CLL, at its election, of which 50% of the payment will be considered an advance royalty payment. During the year ended January 31, 2021, the Company recorded a recovery against exploration and evaluation assets of \$64,788 (2020 - \$64,445) for the fair value of the CLL shares received.

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

c) Sleitat and Coal Creek Tin Properties, Alaska, U.S.A.

On July 24, 2015, the Company acquired the Sleitat and Coal Creek tin properties in Alaska (collectively, the “Properties”) subject to the terms of a property purchase agreement with Osisko and Mr. R. Netolitzky, and their respective wholly-owned companies. The consideration included 6,500,000 common shares with a value of \$650,000 along with transaction costs of \$6,134.

During the year ended January 31, 2020, the Company wrote off all capitalized exploration and evaluation assets related to the Properties due to limited exploration activities since their acquisition and also because substantive expenditure on further exploration activities on these Properties was neither budgeted nor planned in the foreseeable future.

On December 1, 2019, the Company relinquished the Coal Creek tin property. The Company maintains its interest in the underlying mineral claim and mining leases for the Sleitat tin property by making annual rental payments.

d) Shovelnose, gold and base metal properties, British Columbia, Canada

The Company acquired, by staking, a 100% interest in certain mineral claims comprising the Shovelnose property in October 2005. The Company expanded the Shovelnose property by staking additional mineral claims in November 2008.

On September 9, 2015, the Company and Westhaven entered into a property purchase agreement. The Company sold its interest in the Shovelnose property in exchange for 2,000,000 common shares of Westhaven and a 2% NSR which can be reduced to 1%, at Westhaven’s option, for \$500,000.

On September 6, 2019, the royalty on the Shovelnose property was transferred to Osisko for the settlement of the \$1,500,000 line of credit (Note 13).

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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2021	January 31, 2020
Trade payables	\$ 785,462	\$ 493,107
Accrued liabilities	160,873	116,235
Related party payable	789	946
Total	\$ 947,124	\$ 610,288

12. LEASE LIABILITY

	Year ended January 31, 2021	Year ended January 31, 2020
Opening balance	\$ 98,908	\$ 187,248
Lease modification and remeasurement	102	(6,867)
Lease payments	(88,338)	(85,545)
Amortization of discount	9,717	4,072
Ending balance	\$ 20,389	\$ 98,908

The following table is a summary of the carrying amounts of the Company's lease liabilities that are recognized in the consolidated statement of financial position as of:

	January 31, 2021	January 31, 2020
Current portion of lease obligation	\$ 20,389	\$ 78,595
Long-term portion of lease obligation	-	20,313
Ending balance	\$ 20,389	\$ 98,908

The table below analyzes the Company's lease liabilities into relevant contractual maturity date groupings based on the remaining period at the reporting date to the contractual maturity date of the lease. The amounts shown in the table below are the contractual undiscounted cash flows related to lease liabilities.

	1 year or less	1-2 years	Total contractual cash flows	Carrying amount
Total contractual obligations	\$ 24,284	\$ -	\$ 24,284	\$ 20,389

During the year ended January 31, 2021, the Company continued its sub-lease agreements with tenants within its office located in Vancouver, Canada. These sub-lease agreements have been treated as operating leases in accordance with IFRS 16. Income arising under these sub-lease agreements during the year ended January 31, 2021 was \$24,400 (2020 - \$40,300) and has been recognized in profit or loss.

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13. LINE OF CREDIT

	Year ended January 31, 2021	Year ended January 31, 2020
Opening balance	\$ -	\$ 1,475,504
Accretion	-	24,496
Settlement	-	(1,500,000)
Ending balance	\$ -	\$ -

On March 15, 2016, Osisko, a significant shareholder of the Company, provided a \$1,500,000 interest-free line of credit (the "Loan") to the Company to complete the acquisition of two royalties from Teck (Note 9). The Company was to repay the Loan upon any sale of the Mactung project by the Government of the Northwest Territories. Repayment of the Loan was to have been by conveyance of the royalties to Osisko at Osisko's election at any time after the sale of the Mactung project by the Government of the Northwest Territories, or in cash under certain other circumstances. Any failure to repay the Loan would have been considered an event of default (a "Default"). In the event of a Default, the \$1,500,000 principal would be repayable immediately in cash and interest of 5% would also be payable, calculated from the drawdown date of the Loan to the date of repayment. The Loan was secured by a charge on the two royalties.

The estimated present value of this payment obligation was calculated using a discount rate of 15%. As at the March 2016 acquisition date, the Company estimated that the Mactung Project would be sold within a three-year period, thereby triggering a repayment of the \$1.5 million line of credit. The \$507,665 difference between the acquisition cost and the net present value of the loan was treated as a capital contribution to the Company from Osisko, since Osisko was a significant shareholder of the Company.

On September 6, 2019, the \$1,500,000 Loan was settled in return for the transfer of a royalty on the Shovelnose property held by Westhaven (Note 10(d)). The purchase price paid by Osisko for the Shovelnose royalty was by way of set-off against the outstanding debt in full satisfaction of the Loan. The Company has classified the gain of \$1,500,000 arising from the settlement of the loan in exchange for the royalty over the Shovelnose property as a capital contribution.

14. DEBT AND ROYALTY OPTION

	Year ended January 31, 2021	Year ended January 31, 2020
Opening balance	\$ 5,210,765	\$ 4,525,893
Accretion – charged to profit or loss	292,076	193,912
Accretion – capitalized to property, plant and equipment	490,962	490,960
Ending balance	\$ 5,993,803	\$ 5,210,765

14. DEBT AND ROYALTY OPTION - *Continued*

On January 26, 2018, the Company completed a secured convertible note financing (the “Note”) with Osisko for gross proceeds of \$7,170,000. The Note is convertible into a 1.5% NSR on all metals and minerals produced from the South Crofty Tin Project (the “Osisko NSR”). The Note is secured by a first-ranking lien on all of the assets of the Company and its subsidiaries. If an event of default occurs under either the Note or the Osisko NSR, Osisko has the right to realize upon its security and become the owner of all of the Company’s assets.

Osisko may not make a demand on the Note until the commencement of commercial production at the South Crofty Tin Project (or otherwise upon the occurrence of an event of default). No interest is to be payable on the principal amount outstanding under the Note until December 31, 2021 (or otherwise on the occurrence of an event of default), after which time interest will accrue at an annual rate of 10%. If commercial production is not achieved at the South Crofty Tin Project by December 31, 2025, all amounts owing under the Note would become due and payable.

Concurrently with this transaction, the Company and Osisko entered into a governance and financing agreement containing, among other things, the grant to Osisko of an option to purchase the Osisko NSR in exchange for the Note (the “Royalty Option”). If, as and when Osisko exercises the Royalty Option, the Company and its affiliates will enter into a royalty agreement with Osisko (the “Royalty Agreement”), and the Company’s performance and payment obligations will continue to be secured by the first ranking lien of Osisko. Once the Company has made royalty payments in excess of US\$7.5 million, the scope of the first ranking liens will be reduced.

The Company received gross proceeds of \$7,170,000 from the sale of the Note, which was recorded at a fair value of \$4,283,486 using a 14% discount rate. The carrying value of the debt, net of transaction costs totalling \$366,054 (\$3,917,432), will be accreted up to the debt’s face value over the estimated term of the debt. The difference between the gross proceeds received and the fair value recorded for the Note has been recorded as a Royalty Option. The Royalty Option is a non-financial liability that has been recorded at a cost of \$2,886,514; transaction costs of \$246,673 allocated to the Royalty Option on a pro-rata basis were expensed in professional fees in the year ended January 31, 2018.

On February 19, 2021, Osisko exercised the royalty option and converted the Note into certain royalties over the Cornwall Mineral Properties (Note 23). During the year ended January 31, 2021, the Company incurred \$151,037 (2020 - \$Nil) in costs in respect of this transaction.

15. CAPITAL AND RESERVES

Authorized share capital

At January 31, 2021, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances

On February 3, 2020, the Company closed a private placement financing through issuance of 47,050,000 units (the “Units”) at a price of \$0.05 per Unit for gross proceeds of \$2,352,500, of which \$1,175,000 was received as at January 31, 2020. Each Unit is comprised of one common share and one half of one common share purchase warrant. Each full warrant allows the holder to purchase one additional common share of the Company (each, a “Warrant Share”) at a price of \$0.07 per Warrant Share for a period of 36 months from the closing date of the financing. In connection with the private placement, Osisko purchased a total of 20,000,000 Units. Net proceeds from the financing amounted to \$2,302,323, which included share issue costs of \$28,556 incurred during the year ended January 31, 2020.

There were no share issuances during the year ended January 31, 2020.

Share subscriptions received in advance

On February 16, 2021, the Company completed its listing and concurrent financing on AIM (Note 23). As at January 31, 2021, the Company received share subscriptions in advance totaling \$189,902 in connection with this transaction.

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15. CAPITAL AND RESERVES - Continued

Stock options and warrants

As at January 31, 2021, the following stock options and warrants were outstanding and exercisable:

	Outstanding	Exercise price	Exercisable	Expiry date
Options	2,125,000	\$ 0.15	2,125,000	January 3, 2022
	1,855,000	0.20	1,855,000	November 3, 2022
	5,150,000	0.10	2,060,000	August 19, 2025
Warrants	4,972,222	\$ 0.10	4,972,222	November 9, 2022
	7,675,000	0.07	7,675,000	February 3, 2023

Stock options

The Company has a “10% rolling” stock option plan (the “Plan”). The maximum aggregate number of common shares issuable pursuant to options awarded under the stock option plan and outstanding from time to time may not exceed 10% of the issued and outstanding common shares from time to time.

Under the terms of the Plan, options will be exercisable over periods of up to five years as determined by the Board of Directors and must have an exercise price not less than the closing market price of the Company's shares prevailing on the day that the option is granted. Under the Plan, the Board of Directors may from time to time authorize the grant of options to directors, officers, employees and consultants of the Company and its subsidiaries, or employees of companies providing management or consulting services to the Company or its subsidiaries.

The Plan provides that the directors have the discretion to impose vesting of options and that, unless otherwise specified by the directors, vesting will occur generally as to 20% on the grant date and 20% every three months thereafter, becoming fully vested one-year from the date of grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

Stock option transactions for the years ended January 31, 2021 and 2020 are summarized as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2019	6,810,000	\$ 0.16
Forfeited	(385,000)	0.18
Balance, January 31, 2020	6,425,000	0.15
Granted	5,150,000	0.10
Forfeited	(425,000)	0.18
Expired	(2,020,000)	0.11
Balance, January 31, 2021	9,130,000	\$ 0.13
Number of options exercisable as at January 31, 2021	6,040,000	\$ 0.15

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15. CAPITAL AND RESERVES - Continued

Stock options and warrants – Continued

Warrants

Warrant transactions for the years ended January 31, 2021 and 2020 are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2019	18,376,000	\$ 0.20
Warrants expired	<u>(18,376,000)</u>	0.20
Balance, January 31, 2020	-	-
Issued pursuant to a private placement financing	23,525,000	0.07
Granted	5,222,222	0.10
Exercised	<u>(16,100,000)</u>	0.07
Balance, January 31, 2021	12,647,222	\$ 0.08

During the year ended January 31, 2021, the Company implemented an early warrant exercise incentive program (the “Incentive Program”) intended to encourage the early exercise of up to 23,525,000 Warrant Shares that were issued in February 2020 pursuant to the private placement financing. Certain warrant holders were restricted in their ability to participate in the Incentive Program as set out under applicable securities laws.

Under the terms of the Incentive Program, holders who exercised their Warrant Shares received:

- the common shares in the capital of the Company to which they were entitled under the terms of the Warrant Shares; and
- one additional common share purchase warrant of the Company (each, an “Incentive Warrant”) entitling the holder to acquire an additional common share of the Company at a price of \$0.10 per share for a period of two years from the date of issuance of such Incentive Warrant.

Pursuant to the Incentive Program, 5,222,222 Warrant Shares were exercised for proceeds of \$365,555, and accordingly, under the terms of the Incentive Program, 5,222,222 Incentive Warrants were issued.

Outside of the Incentive Program, 10,877,778 warrants were exercised during the year ended January 31, 2021, of which 10,627,778 were Warrant Shares and 250,000 were Incentive Warrants, resulting in total proceeds of \$768,945.

Share-based compensation

During the year ended January 31, 2021, the Company granted 5,150,000 (2020 – Nil) stock options to directors and officers with an estimated fair value of \$384,758 (2020 – \$Nil).

The Company used the following assumptions to estimate a fair value for the stock options granted during the years ended January 31, 2021 and 2020:

	Year ended January 31, 2021	Year ended January 31, 2020
Risk-free interest rate	0.39%	-
Expected dividend yield	0%	-
Expected stock price volatility	142%	-
Expected life	5 years	-

During the year ended January 31, 2021, the Company recorded \$304,204 (2020 - \$Nil) in share-based compensation expense.

16. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in capital and reserves as set out in the consolidated statement of financial position. The Company manages its capital structure based on the nature and availability of funding, and the timing of expected or committed expenditures. The Company's capital management policy is to maintain sufficient capital to support the acquisition, exploration and future development of its exploration and evaluation assets and to provide sufficient funds for its corporate activities.

The Company's exploration and evaluation assets are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings and asset sales, or a combination thereof, to finance its activities. The Company forecasts its future capital requirements by planning the exploration and future development activities to be undertaken on its exploration and evaluation assets, and assessing the level of corporate activities that are necessary to support the growth and development of the Company.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period.

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Income (loss) before income taxes	\$ (1,598,400)	\$ (4,559,178)
Expected income tax (recovery)	(432,000)	(1,231,000)
Permanent difference	30,000	536,000
Change in statutory, foreign tax, foreign exchange rates and other	34,000	(85,000)
Adjustment to prior year's provision versus statutory returns	(119,000)	212,000
Changes in unrecognized deductible temporary differences	487,000	568,000
Income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ (71,000)	\$ (78,000)
Property and equipment and other	(656,000)	(300,000)
Allowable capital losses	88,000	35,000
Non-capital losses	639,000	343,000
Net deferred tax liabilities	\$ -	\$ -

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17. INCOME TAXES – Continued

The significant components of the Company’s deferred tax assets that have not been included in the consolidated statement of financial position are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 4,249,000	\$ 4,202,000
Property and equipment and other	576,000	488,000
Allowable capital losses	513,000	566,000
Non-capital losses available for future periods	3,418,000	3,013,000
	<u>8,756,000</u>	<u>8,269,000</u>
Unrecognized deferred tax assets	<u>(8,756,000)</u>	<u>(8,269,000)</u>
Net deferred tax assets	\$ -	\$ -

The significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included in the consolidated statement of financial position are as follows:

	2021	Expiry dates	2020
Exploration and evaluation assets	\$ 14,620,000	no expiry date	\$ 14,359,000
Property and equipment and other	2,131,000	2042 onwards	1,806,000
Allowable capital losses	1,572,000	no expiry date	1,964,000
Non-capital losses available for future periods	13,303,000	2029 onwards	11,624,000
Canada	11,029,000	2029 to 2041	10,049,000
USA	457,000	2036 onwards	44,000
UK	1,817,000	no expiry date	1,531,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. 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 \$260,000. 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 \$87,700 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.

19. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended January 31, 2021 and 2020:

- a) Paid \$7,239 to North Arrow Minerals Inc. (“North Arrow”), a company with two common directors, for office space and administrative services (2020 - \$7,943) of which \$Nil was included in accounts payable and accrued liabilities (2020 - \$Nil);
- b) Received \$9,907 from Winshear Gold Corp. (formerly Helio Resource Corp.), a company with a common director, relating to an apportionment of rent and similar expenditures for the Vancouver office (2020 - \$6,073), of which \$1,919 was included in receivables (2020 - \$1,521);
- c) Received \$1,000,000 from Osisko pursuant to its participation in the private placement completed in February 2020 (Note 15), and \$100,000 and \$15,000 from two directors (D. Grenville Thomas and Don Njegovan, respectively) who also participated in the private placement;
- d) Received \$70,000 from D. Grenville Thomas relating to the exercise of 1,000,000 Warrant Shares on October 7, 2020. Of these exercises, 332,021 Warrant Shares were exercised within the Incentive Program resulting in D. Grenville Thomas being issued with 332,021 Incentive Warrants (Note 15);
- e) Received \$10,500 from Don Njegovan relating to the exercise of 150,000 Warrant Shares on October 28, 2020. Of these exercises, 49,803 Warrant Shares were exercised within the Incentive Program resulting in Don Njegovan being issued with 49,803 Incentive Warrants;
- f) Received \$29,600 from Osisko for proceeds relating to the exercise of 422,857 Warrant Shares on November 9, 2020. Of these exercises, 140,398 Warrant Shares were exercised within the Incentive Program resulting in Osisko being issued with 140,398 Incentive Warrants; and
- g) Received \$670,400 from Osisko Development Corporation (“ODV”) relating to the exercise of 9,577,143 Warrant Shares on January 25, 2021. Osisko transferred its shareholding in the Company, including any unexercised Warrant Shares, to its subsidiary, ODV, on November 25, 2020. Osisko and ODV have consequently exercised all Warrant Shares issued to Osisko pursuant to the private placement financing completed in February 2020.

Transactions with related parties concluded in current and previous periods are disclosed in Notes 5, 9, 10, 13, 14 and 15 of these consolidated financial statements.

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20. KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors and officers. Compensation awarded to directors and other key management personnel during the years ended January 31, 2021 and 2020 was as follows:

	Year ended January 31, 2021			
	Base salary	Bonus	Benefits	Total
Richard Williams (CEO and director)	\$ 200,000	\$ -	\$ 8,432 ¹	\$ 208,432
Other directors	-	-	-	-
Total – directors	200,000	-	8,432	208,432
Other key management ³	360,307	-	2,262 ²	362,569
Total - key management	\$ 560,307	\$ -	\$ 10,694	\$ 571,001

	Year ended January 31, 2020			
	Base salary	Bonus	Benefits	Total
Richard Williams (CEO and director)	\$ 200,000	\$ -	\$ 10,938 ¹	\$ 210,938
Other directors	-	-	-	-
Total – directors	200,000	-	10,938	210,938
Other key management ³	362,831	-	2,230 ²	365,061
Total – key management	\$ 562,831	\$ -	\$ 13,168	\$ 575,999

¹ Benefits include extended medical and dental insurance, life insurance and the provision of parking at the Company's office in Vancouver.

² Benefits relate to statutory pension contributions payable by the employer.

³ Allocated \$355,318 (2020 - \$349,561) to salaries and benefits and \$7,251 (2020 - \$15,500) to professional fees. Compensation of the directors has been allocated to salaries and benefits.

Details of stock options held by directors during the years ended January 31, 2021 and 2020 were as follows:

	January 31, 2020	Granted	Expired/Forfeited	January 31, 2021	Average exercise price
Patrick Anderson	450,000	750,000	-	1,200,000	\$ 0.13
Kenneth Armstrong	850,000	550,000	(400,000)	1,000,000	\$ 0.13
Alex Drapack ¹	200,000	-	(200,000)	-	N/A
John McGloin ²	-	-	-	-	N/A
Don Njegovan	-	1,000,000	-	1,000,000	\$ 0.10
D. Grenville Thomas	700,000	550,000	(250,000)	1,000,000	\$ 0.13
Richard Williams	1,450,000	800,000	(750,000)	1,500,000	\$ 0.13
Total	3,650,000	3,650,000	(1,600,000)	5,700,000	\$ 0.13

¹ Resigned on February 3, 2020

² Appointed on October 27, 2020

	January 31, 2019	Granted	Expired/Forfeited	January 31, 2020	Average exercise price
Patrick Anderson	450,000	-	-	450,000	\$ 0.17
Kenneth Armstrong	850,000	-	-	850,000	\$ 0.14
Alex Drapack	200,000	-	-	200,000	\$ 0.20
Don Njegovan	-	-	-	-	N/A
D. Grenville Thomas	700,000	-	-	700,000	\$ 0.15
Richard Williams	1,450,000	-	-	1,450,000	\$ 0.14
Total	3,650,000	-	-	3,650,000	\$ 0.15

20. KEY MANAGEMENT COMPENSATION – Continued

Under the Plan (Note 15), the Company granted 3,650,000 stock options (2020 – Nil) to directors at an exercise price of \$0.10 during the year ended January 31, 2021. These stock options are exercisable until August 19, 2025.

No stock options were exercised by directors during the year ended January 31, 2021 (2020 – Nil). A total of 1,600,000 stock options expired or were forfeited during the year ended January 31, 2021 (2020 – Nil) at an average exercise price of \$0.12.

Share-based compensation for directors during the year ended January 31, 2021 was \$215,601 (2020 - \$Nil) and for other key management was \$88,603 (2020 - \$Nil). Share-based payments are the fair value of options that have been granted and vested to directors and other key management personnel.

21. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended January 31, 2021, the significant non-cash transactions were:

- a) Included in exploration and evaluation assets are capitalized depreciation of \$51,004, prepaid expenses of \$8,654 and \$231,914 which relates to accounts payable and accrued liabilities;
- b) Included in property, plant and equipment are capitalized borrowing costs of \$490,962 and \$79,955 which relates to accounts payable and accrued liabilities;
- c) Included in deferred financing fees is \$344,628 which relates to accounts payable and accrued liabilities;
- d) Included in deferred costs on conversion of royalty option is \$101,863 which relates to accounts payable and accrued liabilities; and
- e) Exploration and evaluation assets have been reduced by \$64,789 which represents the estimated fair value of common shares of a private company received pursuant to a property option agreement.

During the year ended January 31, 2020 the significant non-cash transactions were:

- a) Included in exploration and evaluation assets are capitalized depreciation of \$50,944 and \$31,123 which relates to accounts payable and accrued liabilities;
- b) Included in property, plant and equipment are capitalized borrowing costs of \$490,960, the capitalized portion of the right-of-use real estate of \$97,923, deposits of \$31,383 and \$374,933 which relates to accounts payable and accrued liabilities; and
- c) Exploration and evaluation assets have been reduced by \$64,445 which represents the estimated fair value of common shares of a private company received pursuant to a property option agreement.

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22. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and evaluation of mineral properties in North America and the United Kingdom as follows:

	<u>As at January 31, 2021</u>			<u>As at January 31, 2020</u>		
	Canada	United Kingdom	Total	Canada	United Kingdom	Total
Deposits	\$ 10,964	\$ 26,012	\$ 36,976	\$ 10,964	\$ 25,865	\$ 36,829
Property, plant and equipment	27,930	6,343,922	6,371,852	114,863	5,851,864	5,966,727
Exploration and evaluation assets	-	9,507,859	9,507,859	-	7,928,688	7,928,688

23. SUBSEQUENT EVENTS

a) AIM listing

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 £8.2 million (\$14.4 million based on February 12, 2021 closing exchange rate), of which \$189,902 was received in advance as at January 31, 2021 (Note 15). Total share issue costs amounted to \$1.5 million resulting in net proceeds of \$12.9 million. Upon listing on AIM, the Company had 267,145,157 shares issued and outstanding.

b) Conversion of Osisko Note into royalties

On February 19, 2021, Osisko exercised the royalty option and converted its Note (Note 14) into two royalty agreements as follows:

- a) 1.5% NSR on the South Crofty Tin Project; and
- b) 0.5% NSR on any other mineral rights held by the Company in Cornwall, UK that do not form part of the South Crofty Tin Project.

In connection with the conversion of the Note, Osisko agreed to release the comprehensive security package entered into by the Company and has entered into a more simplified and reduced security package. The reduced security package is restricted to the Company's subsidiary, CMLB, which holds the Company's mineral rights in Cornwall, UK.

c) Exercise of warrants

As at May 13, 2021, 2,275,000 warrants had been exercised with an average exercise price of \$0.08 for proceeds of \$184,750.