

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

**Containing information up to and including December 13, 2023**

**Description of business**

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

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

The following discussion and analysis of the Company’s financial condition and results of operations for the nine months ended October 31, 2023, should be read in conjunction with the consolidated condensed interim financial statements of the Company for the nine months ended October 31, 2023 and October 31, 2022, together with notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and specifically, in accordance with International Accounting Standards 34, Interim Financial Reporting (“**IAS 34**”). This Interim MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management’s expectations. Refer to the “Forward-Looking Statements” section which appears later in this MD&A.

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

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

**Highlights for the nine months ended October 31, 2023 and for the period ending December 13, 2023**

- Commissioning of the water treatment plant (“**WTP**”) completed at the end of October 2023 with discharge of treated water to the Red River commencing shortly thereafter in accordance with permitted standards;
- Good progress is being made on the mine dewatering with the water level falling faster than expected in the first month of dewatering;
- Updated Mineral Resource Estimate (“**MRE**”) for South Crofty mine released in September 2023 showing a 31.6% increase to contained tin in the Indicated Mineral Resource category for the Lower Mine;
- Drill program to collect samples for metallurgical testwork as part of the South Crofty Feasibility Study completed in June 2023 with assay results reported;
- Ore sorting testwork completed with excellent results: 55% mass rejection with less than 3% metal loss (XRT: -50mm to +15mm size fraction) and 50% mass rejection with less than 5% metal loss (HLS: -15mm to +0.85mm size fraction);
- Metallurgical testwork results confirm the potential to upgrade the mineralization of the South Crofty mine and enable process design optimization work on the size of the mineral processing plant;
- Two submersible pumps installed in New Cook’s Kitchen (“**NCK**”) shaft with the pumps and variable speed drives successfully commissioned in July 2023;
- Fifteen-month power supply contract agreed for the provision of 100% renewably generated power thereby providing certainty over power costs during the mine dewatering phase;
- Two single drum winders for the shaft re-access delivered to site by early November 2023 with their installation underway;
- Remedial work underway on the south headframe above NCK shaft and the winder building in readiness for the installation of the main winder;

- Work on the Feasibility Study continues and is well underway, and
- Commencement of follow-up exploration drill program at the Wide Formation target in the Carn Brea exploration area.

### **Strategic review of business**

#### *Cornwall mineral properties - background*

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

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

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

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

Tin and copper have shown strong price increases through the past few years as investors anticipate renewed investment into infrastructure, especially electrification of various sectors. These price gains have been scaled back in the past eighteen months, with increased geopolitical uncertainty surrounding events in Russia / Ukraine, slowing Chinese economic growth and a rising interest rate environment leading to fears of a global recession. It is management’s view that this slowdown in demand will only serve to exacerbate the supply side constraints when the global economy recovers.

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

#### *South Crofty tin project – background*

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

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

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

The proceeds from the £40.5 million fundraise completed in May 2022 which was cornerstoned by Vision Blue Resources (the “**Offering**”), are being used to advance South Crofty to a potential construction decision expected in around 30 months from closing of the Offering, as described more fully below.

*Planning activities related to the dewatering of South Crofty*

The South Crofty mine workings are presently flooded and dewatering activities are required prior to the potential reopening of the mine. In March 2017, a water treatment trial was successfully completed at South Crofty. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that allows treatment and discharge of up to 25,000m<sup>3</sup>/day of mine-water, following commissioning of a new WTP. Mine dewatering commenced in early November 2023 (refer below for more details) and is expected to take around 18 months.

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

In previous years, submersible camera surveys of New Cook’s Kitchen shaft (the main access shaft at South Crofty) have been successfully completed demonstrating that the shaft is open to the bottom. The existing guiderails within the shaft have been shown to be sufficiently robust to allow them to be used for the lowering of equipment when dewatering activities and shaft refurbishment are underway.

*Carn Brea exploration project*

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

Management is of the view that there is merit in further exploring the Wide Formation as this discovery is located along the southern boundary of the South Crofty mine permission area. Consequently, after completion of the metallurgical drill program (as described below), a follow-up drill program was commenced to test the continuity of mineralization and to better define the geometry and extent of the Wide Formation. If the drill program is successful, management believes there is potential to expand the Mineral Resource base, and also to potentially expand production throughput if South Crofty advances through to mine development.

*United Downs exploration project*

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

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

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

*Agreement with Cornish Lithium*

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

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

**Activities update for the nine months ended October 31, 2023 and for the period ending December 13, 2023**

*Updated Mineral Resource Estimate released for South Crofty mine*

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

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

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

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

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

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

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

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

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

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

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

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

*Commissioning of water treatment plant at South Crofty*

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

The WTP comprises nine reaction tanks for altering the chemical properties to precipitate the various metals out of solution, and six inclined plate settling tanks (lamella clarifiers) to remove the precipitated solids. All the tanks and clarifiers were installed by the end of June 2023, as were the structural steel supports and walkways which provide access to the WTP. At the back end of the WTP, a sludge storage and thickening system has been installed, consisting of storage tanks for unthickened and thickened sludge and a deep cone thickener to thicken the sludge.

Reagent storage, make-up and dosing equipment have been supplied as complete packages from specialist manufacturers who also assisted with their installation.

At the mine end, a building housing the high voltage power supply/sub-station and the variable speed drives required to operate the pumps was completed in August 2023. The 11kV power supply was also energized in August 2023 with the new power supply contract (refer below). At the WTP end, a large motor control center and automation system was installed in a new building, which National Grid connected to their network with another new substation.

A hydro-turbine has been added ahead of the discharge point that is generating up to 20% of the electricity required to operate the WTP.

Wet commissioning of the WTP was completed during September and October 2023 along with the building of a high density sludge bed within the plant. After successful commissioning, the WTP was officially opened on October 26, 2023, with discharge of treated water to the Red River commencing shortly thereafter. The treated water meets the Company's permitted standards set by the Environment Agency for its discharge into the Red River. Good progress is being made on the mine dewatering with the water level falling faster than expected in the first month although the rate of drop is expected to decline reflecting a larger volume of underground workings at the deeper levels of the mine. Dewatering of the mine is expected to take 18 months from November 2023.

Overall, the cost of construction and commissioning for the WTP is expected to be between £7.5 million and £8.0 million (\$12.6 million and \$13.5 million at the quarter end exchange rate).

*Installation of submersible pumps and commissioning of variable speed drives*

Two submersible pumps manufactured by KSB in Germany have been installed in NCK shaft for the first stage of the two-stage mine dewatering program. The pumps are specialist high head, vertical pumps that are controlled by variable speed drives ("VSDs") to enable the 25,000m<sup>3</sup>/day pumping rate to the WTP to be maintained as the water level drops and the pumping head increases. The VSDs were manufactured by Schneider Electric and supplied by Siemag Tecberg UK.

The first pump was installed in NCK shaft at the end of June 2023 and the second pump was installed mid-July 2023. Commissioning teams from Siemag Tecberg UK and Schneider Electric were on-site for the last two weeks of July 2023 testing the pumps and VSDs. The pumps and VSDs were successfully commissioned and ran through a series of performance tests to demonstrate their ability to meet the target flow rate to the WTP.

The pumps were initially lowered to immediately below the 195 fathom level (approximately 360 meters below surface) and suspended from 120 three meter long pipes that form the temporary rising main. When the water level reaches the 195 fathom level, a permanent set of pumps will be installed at that level. The submersible pumps will then be lowered to the 400 fathom level (approximately 730 meters below surface) for the second stage of dewatering.

Since the commencement of the dewatering of the South Crofty mine (refer above), the pumps have been pumping mine water from below the 195 fathom level to the WTP from where the treated mine water is discharged to the Red River.

*Execution of power supply contract for South Crofty*

In July 2023, South Crofty entered into a 15-month supply contract with NPower for the provision of 100% renewably generated power. The supply contract allows South Crofty to advance through the mine dewatering phase with certainty over the power costs for the next 15 months. This added certainty is an important financial consideration given the power price volatility seen over the last 18 months.

*Preparation for re-accessing New Cook's Kitchen shaft*

Two single drum winders were ordered for the shaft re-access work, with the primary access winder supplied by Siemag Tecberg UK and an emergency egress winder provided by Zitron S.A. Both winders arrived on site by the beginning of November 2023. These winders will enable NCK shaft to be re-accessed once dewatering activities have sufficiently progressed. Conveyances, rope attachment packages and communication systems for both winders have been ordered, with delivery of all components expected in January 2024.

The south headframe sitting above NCK shaft is being remediated and strengthened as required. New sheave wheels and associated apparatus have been ordered to replace the originals which were beyond economic repair. The South Winder house, housing the primary access winder, has been remediated with its structural steelwork checked and refurbished, and new exterior cladding erected. The secondary egress winder is being housed in a new temporary winding house which was erected in October 2023. The concrete foundations for both winders have been poured in readiness for their installation expected by the end 2023, along with the establishment of electrical services.

Pump and pipe handling infrastructure has also been installed around the headframe to facilitate the lowering of the pumps and pipes and subsequent dewatering activities. The timber sets and shaft furniture in the shaft above adit level have been inspected down to the water level, with most found to be in good condition. Where required, timber sets in the shaft are being replaced and any debris removed. As the water in the shaft recedes, further remediation work to the timber sets and shaft walls will be undertaken as required.

#### *Metallurgical study drill program at South Crofty*

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

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

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

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

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

#### *Metallurgical testwork results*

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

X-Ray Transmission ("XRT") ore sorter testwork of bulk composite samples was completed by TOMRA Sorting GmbH. Heavy Liquid Separation ("HLS") testwork of bulk composite samples was completed by Wardell Armstrong International.

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

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

The metallurgical testwork results confirm the potential to upgrade the mineralization of the South Crofty mine. The results also enable continuation of the process design optimization work to reduce the size of the mineral processing plant thereby lowering capital costs and the associated environmental footprint. The testwork results are being incorporated in the Feasibility Study as described below.

#### *Preparation of Feasibility Study*

Work on the South Crofty Feasibility Study has been underway since June 2022. In addition to the metallurgical testwork program and Updated MRE noted above, the Feasibility Study continues to advance with the following activities:

- Wardell Armstrong has completed Phase 1 of the metallurgical testwork program, including ore sorting testwork, and is now progressing through flowsheet verification;
- Fairport Engineering has completed concept and optimization design studies and is underway with the feasibility level engineering of the mineral processing plant, including the incorporation of potential future throughput expansions;
- A site investigation for the mineral processing plant has been completed by AGS Ground Solutions;
- Concept numerical modelling of the proposed underground mining methods and stope designs, including back analysis, has been completed by MiningOne;
- Geotechnical televising has been completed on the five primary mining areas by RobertsonGeo, validating previously known structural data;
- The program for geotechnical rock testing has been completed with the results confirming known historic testwork;
- Paterson & Cooke (UK) has completed concept engineering and sighter testwork on paste backfill options and is underway with feasibility level engineering of the paste backfill plant;
- Life of Mine underground ventilation design options have been completed and are being reviewed;
- Entech Mining and RSV Group have completed the refurbishment and recommissioning study of NCK and Roskear shafts, and preliminary designs for the material handling infrastructure in the Upper Mine have been completed;
- Underground stope optimization is complete, which will include the new central mining areas from the Updated MRE noted above;
- AMC Consultants (UK) has been commissioned to review and provide overall Feasibility Study sign-off;
- CRU Group and Project Blue have been engaged for the market study section of the Feasibility Study;
- Piteau Associates has completed the mine hydrogeological studies; and
- SLR Consulting is underway with closure studies, environmental and social sections of the Feasibility Study.

*Commencement of exploration drill program at Carn Brea South*

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

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

To date, four drill holes (totalling 2,807 metres) have been completed. Assay results will be reported when available.

*Next steps for the Cornwall mineral properties*

As described above, the proceeds raised from the Offering completed in May 2022 are being used to advance the South Crofty tin project to a potential construction decision within 30 months from closing of the Offering.

Within 30 months from the closing of the Offering, the Company’s objectives are as follows:

- Commence dewatering of the mine and thereafter complete the dewatering of the mine within 18 months;
- Complete a Feasibility Study using all reasonable commercial efforts; and
- Commence basic and detailed engineering studies, construction of the processing plant, refurbishment of underground facilities and other on-site early works.

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

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

## Results of operations

*Financial highlights for the nine months ended October 31, 2023 and October 31, 2022*

	Nine months ended	
	October 31, 2023	October 31, 2022
<i>(Expressed in Canadian dollars)</i>		
Total operating expenses	<b>3,281,200</b>	2,616,299
Loss for the period	<b>1,571,831</b>	3,557,556
Net cash (used in) operating activities	<b>(1,761,034)</b>	(3,047,818)
Net cash (used in) investing activities	<b>(23,335,112)</b>	(5,760,776)
Net cash (used in) provided by financing activities	<b>(723)</b>	61,456,627
Cash at end of the period	<b>31,579,386</b>	57,840,129

- Increase in operating costs impacted by higher insurance costs attributable to more site-based activities primarily relating to the construction of the WTP and related dewatering work;
- Interest income of \$1.5 million arising from increased interest rates being received on higher cash balance following the Offering;
- Expenditure of \$12.4 million incurred during the period on the construction of the WTP and related dewatering equipment, as well as new or replacement equipment for the mine;
- Other project related costs of \$8.4 million incurred during the period relating to the advancement of South Crofty to a potential construction decision, primarily for the metallurgical drill program and planning activities for dewatering and shaft re-access;
- Costs of \$0.8 million incurred for the continuation of the exploration program at Carn Brea which recommenced in June 2023; and
- Recognition of foreign currency translation gain of \$1.6 million for those assets located in the UK when translated into Canadian dollars for presentational purposes.

*Commentary for the nine months ended October 31, 2023*

During the nine months ended October 31, 2023 (the “**Current Period**”), the Company recorded a loss of \$1,571,831 as compared to a loss of \$3,557,556 for the nine months ended October 31, 2022 (the “**Comparative Period**”). Comprehensive income for the Current Period totaled \$47,234 (\$0.00 income per share) as compared to comprehensive loss of \$5,922,671 (\$0.01 loss per share) in the Comparative Period.

The Company recognized a foreign currency translation gain of \$1,619,065 (Comparative Period – loss of \$ 2,365,115) in comprehensive income arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Period, expenses totaled \$3,281,200 as compared to expenses of \$2,616,299 in the Comparative Period. This increase is mainly attributable to higher travel and marketing expenditure, insurance costs, professional fees and share-based compensation expense offset by lower corporate remuneration.

Travel and marketing expense (Current Period - \$488,797; Comparative Period - \$399,321) increased primarily due to media and travel related expenditure incurred for the official opening event arranged for the WTP at the end of October 2023. Travel related expenditure of the Company’s executives increased due to more site-based activities at South Crofty and corporate activities more generally. Attendance fees for investor conferences also increased as the Company was represented at more events across the corporate calendar. Other costs included in this expense category include fees relating to public relations in the UK, investor relations in North America and publicity costs in Cornwall.

Professional fees (Current Period - \$794,167; Comparative Period - \$500,737) include accounting and audit fees, legal fees, financial advisory fees and consulting expenses. Professional fees increased mainly due to higher financial advisory fees payable to the joint brokers and nominated adviser in the UK following completion of the Offering. In addition, fees were payable for risk management and environmental, social and governance (“**ESG**”) consultancy services reflecting the progress of the South Crofty tin project in recent months. Fees were also payable for advice to



the Remuneration Committee relating to executive compensation. Legal fees were higher reflecting the level of corporate initiatives undertaken in the Current Period, which included reviewing potential options relating to the disposal of the Company's mineral properties in North America.

Salaries, directors' fees and benefits expense (Current Period - \$1,128,672; Comparative Period - \$1,301,312) decreased as bonuses were payable in the Comparative Period but not in the Current Period. Offsetting this reduction, compensation for the Company's executives increased during the Current Period reflecting the Company's higher activity levels since the Comparative Period as well as an additional appointment to the Company's executive team in September 2023.

Share-based compensation expense (Current Period - \$130,136; Comparative Period - \$Nil) increased due to the award of stock options in July 2023 with previous awards of stock options having been fully vested by January 31, 2022. The Company recognized \$207,514 in share-based compensation (Comparative Period - \$Nil), of which \$130,136 (Comparative Period - \$Nil) was expensed and \$77,378 (Comparative Period - \$Nil) was capitalized to exploration and evaluation assets (October 31, 2022 - \$Nil). The share-based compensation expense in the Current Period relates to the estimated fair value of the 11,800,000 stock options granted to executive management and senior employees. The options have an exercise price of 18 pence / 30 cents, the same subscription prices paid by investors during the Offering in May 2022. The options have a five year term, whereby the options vest over a three year period, with one third of the options vesting at the end of each year.

Insurance expense (Current Period - \$511,899; Comparative Period - \$99,295) increased as a construction all-risks policy has been arranged for the WTP and related dewatering work at South Crofty. In addition, the cost of arranging the UK general liability policy increased reflecting higher activity levels at the mine site and employee numbers following the Offering. A higher coverage level for the D&O policy was also arranged for the policy year commencing from December 1, 2022.

Office, miscellaneous and rent (Current Period - \$148,925; Comparative Period - \$74,615) increased mainly due to an increase in sponsorship expenditure for various sporting, charitable, community and educational events which were supported by the Company. More events have been supported in the Current Period reflecting the increased activity levels at South Crofty and the Company's commitment to engaging with the local community. Additional IT consultancy costs were also incurred to support the conversion of the Company's functional currency from Canadian dollars to British pounds with effect from February 1, 2023. Other costs in this expense category include the Company's membership fees of the International Tin Association and the Critical Minerals Association.

Regulatory and filing fees (Current Period - \$73,171; Comparative Period - \$144,468) decreased as the TSX-V filing fee for the approval of the shares issued in satisfaction of deferred consideration in May 2022 was incurred in the Comparative Period, as was the filing fee for the approval of the stock option plan. Other costs incurred in this expense category included the ongoing AIM listing and TSX-V sustaining fees. Transfer agent fees reduced in the Current Period correlating to the lower level of trading in the Company's shares across the two stock exchanges.

Depreciation (Current Period - \$Nil; Comparative Period - \$443) decreased as all assets held at the corporate center have been fully depreciated and there were no additions of property, plant and equipment during the Current Period for which depreciation is expensed. Depreciation on assets at the South Crofty site is capitalized to exploration and evaluation assets. During the Current Period, capitalized depreciation increased (Current Period - \$192,504; Comparative Period - \$58,730) as there were several additions to the depreciable asset base at South Crofty following an increase in activity levels subsequent to completion of the Offering.

Generative exploration costs (Current Period - \$5,433; Comparative Period - \$96,108) were incurred for expenditure on the Company's mineral properties located in North America. In addition to rental payments for these properties, more expenditure was incurred in the Comparative Period to enhance their marketability for disposal, which included some costs to address historic permitting and remediation matters.

Interest income (Current Period - \$1,456,697; Comparative Period - \$136,216) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Period, together with a higher level of cash being held by the Company following completion of the Offering.

The foreign exchange gain (Current Period - \$394,980; Comparative Period – loss of \$1,907,824) has arisen primarily due to the appreciation of the British pound against the Canadian dollar since January 31, 2023. In the Comparative Period, the Canadian dollar appreciated against the British pound resulting in a foreign exchange loss.

During the Current Period, an unrealized loss on marketable securities of \$147,296 was recognized (Comparative Period – gain of \$512,204). This loss is attributable to the lower fair value of the Company's holding in Electric Royalties Limited which was received pursuant to the disposal of a Net Smelter Royalty on the Sleitat tin-silver

project (refer below). The decrease in fair value reflects the lower market price of these shares since January 31, 2023. The unrealized gain in the Comparative Period was attributable to the increase in fair value of the Company's holding in Cornish Lithium compared to its fair value as at January 31, 2022.

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

During the Current Period, an income tax recovery of \$4,988 was recognized (Comparative Year - \$Nil) reflecting a favorable adjustment to the liability for taxes payable arising from the disposal of the Net Smelter Royalty as described above.

*Commentary for the three months ended October 31, 2023*

During the three months ended October 31, 2023 (the "**Current Quarter**"), the Company recorded a loss of \$684,432 as compared to a loss of \$307,001 for the three months ended October 31, 2022 (the "**Comparative Quarter**"). Comprehensive loss for the Current Quarter totaled \$1,694,934 (\$0.00 loss per share) as compared to comprehensive loss of \$573,713 (\$0.00 loss per share) in the Comparative Quarter.

The Company recognized a foreign currency translation loss of \$1,010,502 (Comparative Quarter - \$266,712) in comprehensive loss arising on the translation of foreign subsidiaries whose functional currency is not the Canadian dollar.

During the Current Quarter, expenses totaled \$1,239,648 as compared to expenses of \$727,358 in the Comparative Quarter. This increase is mainly attributable to higher travel and marketing expenditure, insurance costs, professional fees, share-based compensation expense and corporate remuneration.

Travel and marketing expense (Current Quarter - \$242,737; Comparative Quarter - \$130,246) increased primarily due to media and travel related expenditure incurred for the official opening event arranged for the WTP at the end of October 2023. Attendance fees for investor conferences also increased during the Current Quarter as the Company was represented at more events.

Professional fees (Current Quarter - \$257,854; Comparative Quarter - \$140,892) increased mainly due to higher fees payable for remuneration advice, risk management and ESG consultancy services in the Current Quarter. Increased legal and tax fees were also incurred as more expert advice was required in the Current Quarter with higher activity levels. Offsetting these increases were lower financial advisory fees payable to the joint brokers and nominated adviser in the UK following the first anniversary of the Offering after which it was agreed that recurring fee levels would decrease.

Salaries and benefits expense (Current Quarter - \$410,795; Comparative Quarter - \$318,763) increased due to higher compensation paid to the Company's executives during the Current Quarter as the Company's activity levels rose as well as an additional appointment to the Company's executive team in September 2023.

Share-based compensation expense (Current Quarter - \$104,587; Comparative Quarter - \$Nil) increased due to the award of stock options in July 2023 and October 2023 with previous awards of stock options having been fully vested by July 31, 2022.

Insurance expense (Current Quarter - \$164,843; Comparative Quarter - \$32,580) increased as a construction all-risks policy was arranged for the WTP and related dewatering work at South Crofty. A higher coverage level for the D&O policy was also arranged for the policy year commencing from December 1, 2022.

Office, miscellaneous and rent (Current Quarter - \$40,883; Comparative Quarter - \$19,099) increased mainly due to an increase in sponsorship expenditure for various sporting, charitable, community and educational events which were supported by the Company.

Regulatory and filing fees (Current Quarter - \$17,749; Comparative Quarter - \$45,750) decreased as the TSX-V filing fee for the annual approval of the stock option plan was incurred in the Comparative Quarter.

Generative exploration costs (Current Quarter - \$200; Comparative Quarter - \$40,028) were incurred for expenditure incurred on the Company's mineral properties located in North America.

Interest income (Current Quarter - \$649,403; Comparative Quarter - \$120,993) was higher reflecting increased interest rates being received on the Company's cash balance across the Current Quarter.

The foreign exchange gain (Current Quarter - \$13,101; Comparative Quarter - \$329,364) reduced with the conversion

of the Company's functional currency to British pounds with effect from February 1, 2023 and the resulting lower translation impact arising from the Company's cash balance which is mainly denominated in British pounds. In the Comparative Quarter a foreign exchange gain arose primarily due to the translation impact on the Company's cash balance as the Company's functional currency was the Canadian dollar.

During the Current Quarter an unrealized loss on marketable securities of \$112,276 (Comparative Quarter - \$30,000) was recognized, which relates to a decrease in the fair value of the Company's holding in Electric Royalties Limited compared to its fair value as at July 31, 2023. The unrealized loss during the Comparative Quarter also related to the movement in the fair value of the Company's holding in Electric Royalties.

During the Current Quarter, an income tax recovery of \$4,988 was recognized (Comparative Quarter - \$Nil) reflecting a favorable adjustment to the liability for taxes payable arising from the disposal of the Net Smelter Royalty.

### **Assets and liabilities**

Total assets increased to \$102,795,888 as at October 31, 2023 as compared to total assets of \$102,106,198 as at January 31, 2023. The increase in the Company's asset base is mainly attributable to the appreciation of the British pound against the Canadian dollar thereby resulting in a foreign currency gain for those assets located in the UK when translated into Canadian dollars for presentational purposes.

The Company's cash balance decreased from \$55,495,232 as at January 31, 2023 to \$31,579,386 as at October 31, 2023, as a result of ongoing development activities at the Company's mineral properties in Cornwall and expenditure at a corporate level.

Marketable securities decreased from \$2,718,936 as at January 31, 2023 to \$2,636,751 as at October 31, 2023. Most of this balance represents the Company's holding in Cornish Lithium which reduced in value in Canadian dollar terms although its fair value denominated in British pounds remained unchanged since January 31, 2023. There was also a reduction in the fair value of the Company's holding in Electric Royalties Limited reflecting the lower market price of these shares since January 31, 2023.

Receivables increased from \$656,407 as at January 31, 2023 to \$1,004,604 as at October 31, 2023. Receivables largely consist of sales tax receivables from the governments of Canada and the UK. The sales tax receivable balance in the UK has increased due to higher activity levels associated with the Company's mineral properties in Cornwall, in particular, more expenditure being incurred on construction and commissioning work related to the WTP, dewatering activities and preparation for re-accessing NCK shaft. The refunds in respect of sales tax receivable balances are up-to-date, with the October 2023 refund having been received in early December 2023.

Prepaid expenses decreased from \$371,977 as at January 31, 2023 to \$314,331 as at October 31, 2023. Prepaid expenses decreased largely due to the amortization of the premium for the Company's insurance policies which were paid upfront in December 2022.

Deposits increased from \$54,165 as at January 31, 2023 to \$84,600 as at October 31, 2023 due to a deposit being paid for a new banking facility. Included in this balance is a deposit paid to the main contractor for the drill programs and a deposit placed with the electricity provider in Cornwall to secure the power supply for potential future mining operations at South Crofty.

Property, plant and equipment ("PPE") assets increased from \$9,721,352 as at January 31, 2023 to \$22,209,962 as at October 31, 2023. Additions to PPE amounted to \$12,392,923, which include expenditure on the WTP and related dewatering equipment, as well as new or replacement equipment for the mine, the most significant of which are downpayments for the new winders and related switchgear as noted above. The single largest item within PPE is the capitalization of the WTP at \$16,627,371 which is treated as work in progress and is therefore not depreciated. Depreciation will commence in November 2023 as the WTP operated consistently at its planned design capacity in this month. A foreign currency gain of \$288,191 also increased the carrying value of PPE due to the appreciation of the British pound against the Canadian dollar since January 31, 2023.

Depreciation of PPE amounting to \$192,504 has been capitalized to exploration and evaluation assets as the depreciation relates to assets located at the South Crofty mine. Equipment amounting to \$3,178,318 is treated as work in progress and will be depreciated once the assets are complete and available for use. The most significant equipment within this category are the new winders and related switchgear as noted above.

Exploration and evaluation assets of \$44,966,254 as at October 31, 2023, representing 44% of total assets, have increased from \$33,088,129 as at January 31, 2023. Expenditure of \$10,757,128 was capitalized during the Current Period. There was also a foreign currency translation gain of \$851,115 due to the appreciation of the British pound

against the Canadian dollar since January 31, 2023 and the capitalization of share-based compensation expense of \$77,378.

Capitalized costs relate to the Company's mineral properties in Cornwall, and include general running costs of South Crofty, such as administrative salaries, utility & IT expenses, lease payments and office expenses. Costs of \$8,447,188 were also incurred since January 31, 2023 relating to the advancement of South Crofty to a potential construction decision. These costs were primarily incurred for the metallurgical drill program and planning activities for dewatering and shaft re-access. Costs of \$761,302 were incurred for the exploration program at Carn Brea which commenced in June 2023.

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

	January 31, 2023	Expended during the period	October 31, 2023
Cornwall Mineral Properties, UK			
Exploration costs	\$ 10,617,546	\$ 7,612,775	\$ 18,230,321
Tenure and utility costs	1,859,025	515,133	2,374,158
Office and remuneration costs	6,081,662	2,629,220	8,710,882
Capitalized depreciation	581,974	192,504	774,478
Asset acquisition	15,122,062	-	15,122,062
Recovery of costs	(581,729)	-	(581,729)
Share-based compensation	-	77,378	77,378
Foreign currency translation	(592,411)	851,115	258,704
	<u>\$ 33,088,129</u>	<u>\$ 11,878,125</u>	<u>\$ 44,966,254</u>

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

Current liabilities increased from \$2,495,284 as at January 31, 2023 to \$2,573,144 as at October 31, 2023 reflecting high procurement levels arising from the advancement of South Crofty, in particular, the construction of the WTP and planning activities for dewatering and shaft re-access.

Total long-term liabilities increased from \$9,149,804 as at January 31, 2023 to \$9,506,886 as at October 31, 2023 as a result of the re-measurement of the NSR liability at the period end date. Since the NSR liability is denominated in US dollars, a foreign currency translation adjustment arises at each reporting date as it is converted into Canadian dollars for presentational purposes.

### **Summary of quarterly results**

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

<b>Quarter ending</b>	<b>Interest income</b> \$	<b>Income (loss) from continued operations</b> \$	<b>Basic and Diluted income (loss) per share from loss</b> \$
October 31, 2023	\$ 649,403	\$ (684,432)	\$ (0.00)
July 31, 2023	418,910	(680,596)	(0.00)
April 30, 2023	388,384	(206,802)	0.01
January 31, 2023	280,919	2,355,299	0.01
October 31, 2022	120,993	(307,001)	(0.00)
July 31, 2022	14,480	(2,266,902)	(0.01)
April 30, 2022	743	(979,427)	(0.01)
January 31, 2022	361	(858,737)	(0.00)

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

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

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

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

### **Liquidity and capital resources**

The Company's working capital as at October 31, 2023 was \$32,961,928 as compared to working capital of \$56,747,268 as at January 31, 2023. The most significant change within working capital related to the utilization of cash as described below.

Cash decreased by \$23,915,846 in the Current Period (Comparative Period – increased by \$50,917,425) to \$31,579,386 as at October 31, 2023, which includes a foreign currency translation gain of \$1,181,023 (Comparative Period – loss of \$1,730,608). The British pound has appreciated against the Canadian dollar since January 31, 2023, resulting in a foreign exchange gain on the funds raised from the Offering.

Net cash used in operations during the Current Period was \$1,761,034 (Comparative Period - \$3,047,818). Changes in working capital items during the Current Period included an increase in receivables of \$348,196, a decrease in prepaid expenses of \$105,201 and an increase in payables and accrued liabilities of \$187,340. The increase in receivables is mainly due to the higher sales tax receivable balance in the UK attributable to greater procurement levels associated with the Company's mineral properties in Cornwall.

During the Current Period, the Company used \$23,335,112 (Comparative Period – \$5,760,776) for investing activities, including \$11,817,289 for the acquisition of PPE, and \$11,489,073 for expenditure which was capitalized to exploration and evaluation assets. This expenditure related to the construction of the WTP and advancement of South Crofty to a potential construction decision. In the Comparative Period, \$4,181,597 was incurred on exploration and evaluation assets and \$1,569,968 was incurred on PPE.

Net cash used by financing activities was \$723 in the Current Period (Comparative Period – provided by \$61,456,627), all related to residual payments for a motor vehicle lease which matured in March 2023 (Comparative Period - \$3,190). In the Comparative Period, the Company received proceeds from the Offering of \$65,135,746 offset by share issue costs of \$3,966,076. Also in the Comparative Period, proceeds from the exercise of options and warrants amounted to \$227,000 and proceeds after legal expenses for the disposal of the Net Smelter Royalty on the Sleitat tin-silver tin were \$63,147.

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

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

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

### **Risks and uncertainties**

*Liquidity and going concern risks*

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

As at October 31, 2023, the Company had current assets of \$35,535,072 to settle current liabilities of \$2,573,144. Although the Company has positive working capital of \$32,961,928 as at October 31, 2023, the Company anticipates significant expenditures will be required to advance the Company's mineral properties in Cornwall. The Company may be required to delay or indefinitely postpone discretionary expenditure, including further exploration work, if additional financing cannot be obtained on reasonable terms in the future. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the Company's mineral properties, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V and AIM.

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

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

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

#### *Foreign currency risk*

The Company has its most significant exposure to foreign currency risk through expenditures incurred on its exploration and evaluation assets and property, plant and equipment in the United Kingdom. Most of the Company's expenditure incurred on these assets is denominated in British pounds. Where possible, the currency of any fundraising whose primary purpose is for the advancement of the Company's mineral properties in the UK is denominated in British pounds to mitigate foreign currency risk.

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

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

#### *Credit risk*

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

#### *Interest rate risk*

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

*Equity market risk*

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

*Commodity price risk*

The Company is exposed to price risk with respect to commodity prices, particularly tin. The ability of the Company to explore and develop 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. Since the Company remains in the exploration stage, it does not presently invest in commodity hedges to mitigate this risk.

**Outstanding share data**

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

As at December 13, 2023, there were 535,270,712 common shares issued and outstanding.

As at December 13, 2023, the Company had the following stock options and warrants outstanding:

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

<sup>1</sup> Pursuant to the terms of the Offering, the exercise price of these warrants is £0.27 for non-Canadian investors or \$0.45 for Canadian investors.

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

During the Current Period, the Company recognized \$207,514 in share-based compensation, of which \$130,136 was expensed to profit or loss and \$77,378 was capitalized in exploration and evaluation assets (Comparative Period - \$Nil).

**Transactions with related parties**

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

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>October 31, 2023</b>	October 31, 2022	<b>October 31, 2023</b>	October 31, 2022
Salaries, bonuses and benefits <sup>1</sup>	<b>\$ 319,540</b>	\$ 246,258	<b>\$ 840,429</b>	\$ 1,041,518
Directors' fees	<b>63,293</b>	51,088	<b>177,019</b>	147,764
Share-based compensation	<b>106,843</b>	-	<b>123,102</b>	-

Total	\$ 489,676	\$ 297,346	\$ 1,140,550	\$ 1,189,282
1	Allocated \$832,044 (Comparative Period - \$1,029,568) to salaries and benefits, and \$8,385 (Comparative Period - \$11,950) to professional fees.			

### **Commitments**

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

The Company also has outstanding commitments amounting to \$3.4 million as at October 31, 2023 relating to the advancement of the South Crofty tin project to a potential construction decision. The timing of payments relating to these commitments depends on the progress of the dewatering of the South Crofty mine, associated shaft refurbishment activities and preparation of the feasibility study. Settlement of these commitments is expected within twelve months of the period end.

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

- an advance payment of £84,000 per annum (equivalent to \$141,506 at the period end GBP/CAD rate) during periods when there is no production from the respective owner’s mineral rights (“**Advance Royalty Payments**”), or
- a NSR payable for a minimum of £84,000 on ore extracted from property that falls within the mineral rights held by the owner which varies according to the prevailing tin price.

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

### **Financial instruments**

A description of the Company’s financial instruments and the financial risks to which the Company is exposed can be found in note 3 of the consolidated condensed interim statements for the nine months ended October 31, 2023 and 2022.

### **Capital management**

A description of the Company’s capital management can be found in note 10 of the consolidated condensed interim statements for the nine months ended October 31, 2023 and 2022.

### **Significant accounting estimates and judgments**

A description of the Company’s significant accounting estimates and judgments can be found in note 3a of the audited consolidated financial statements for the years ended January 31, 2023 and 2022.

### **Additional disclosure for venture issuers without significant revenue**

Additional disclosure concerning the Company’s general and administrative expenses and exploration and evaluation assets is provided in the Company’s consolidated statement of financial position, statement of changes in shareholders’ equity, statement of loss and comprehensive loss and the exploration and evaluation assets note contained in its consolidated condensed interim financial statements for nine months ended October 31, 2023 and 2022 prepared in accordance with IFRS. These statements are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Additional information**

Additional information relating to the Company is on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and is available on the Company’s website at [www.cornishmetals.com](http://www.cornishmetals.com).

### **Forward-looking statements**

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



Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to: statements with respect to expenditures and sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's mineral properties, including, but not limited to, the Company's ability to evaluate and develop the South Crofty tin project and other Cornwall mineral properties and other statements, including, but not limited to: statements in respect of the required consents and permissions for further development of the South Crofty tin project and other Cornwall mineral properties, planned exploration and exploration results, exploration potential and project growth opportunities for the South Crofty tin project and other Cornwall mineral properties and the timing thereof, statements in respect of the Offering, the expected use of proceeds of the Offering, including in respect of certain work programs and the potential completion of a feasibility study on the South Crofty mine and the timing thereof, the Company's ability to obtain financing when required and on terms acceptable to the Company and the potential consequences if the Company fails to obtain any such financing, including potential delays in exploration and the advancement of mineral properties, the inability to maintain its mineral properties in good standing, and potential non-compliance with continued listing requirements, the Company's ability to comply with the terms of its royalty agreements in connection with the South Crofty tin project and other Cornwall mineral properties, and the remaining deferred consideration payable to the Sellers and timing thereof.

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

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

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

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the British pound sterling, risks related to changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined, risks related to completion of the Offering, including, among other things, risks related to the dilution of the Company's shareholders as a result of the Offering, VBR's significant influence over the Company upon completion of the Offering, the potential impacts of VBR's significant interest in the Company on the liquidity of the shares following closing of the Offering, restrictions under certain negative covenants agreed to by the Company under the Investment Agreement, the termination of the Investment Agreement, risks that the Company may not be able to deploy the proceeds of the Offering in the manner contemplated, risks that VBR may not maintain its equity interest in the Company following closing of the Offering, risks related to receipt of regulatory approvals, risks related to delays in obtaining governmental approvals or financing, risk of non-compliance with planning and environmental permissions / licences, possible variations in ore reserves, grade or recovery rates, risks related to general economic and market conditions including credit risk, potential changes to the interest rate, equity market risk and commodity price risk, the timing and content of upcoming work programs, actual results of proposed exploration activities, risks related to the COVID-19 global pandemic and any variants of COVID-19 which may arise, risks associated with the unplanned departure of key personnel, environmental risks, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry, risks associated with changes in national and local government regulation of mining operations, tax rules and regulations, the effects of competition in the markets in which the Company operates, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others

should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, except as required by law.

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

**Approval**

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