

Form 51-102F1

Interim Management's Discussion and Analysis – Quarterly Highlights Six months ended June 30, 2025

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 ("**Cornwall Mineral Properties**"). The Company's flagship project is the former producing wholly owned and permitted South Crofty high-grade underground tin mine ("**South Crofty**" or the "**South Crofty tin project**"), which is being advanced towards production. The Company acquired rights for its mineral projects in Cornwall in July 2016. The Company also maintains an interest in an exploration property which is prospective for tin, tungsten and silver in Alaska. Shares of the Company trade on the TSX Venture Exchange ("**TSX-V**") and the AIM market of the London Stock Exchange Plc ("**AIM**") under the symbol CUSN.

Basis of preparation

This Interim Management's Discussion and Analysis – Quarterly Highlights ("**MD&A**") of Cornish Metals' financial condition and results of operations is prepared as at August 13, 2025, and should be read in conjunction with the consolidated condensed interim financial statements of the Company for the six months ended June 30, 2025 and June 30, 2024, together with notes thereto, and also the Company's Annual MD&A, including the sections describing the strategic review of the business and risks and uncertainties. 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 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 (\$).

Highlights for six months ended June 30, 2025 and for the period ending August 13, 2025

- Strategic investment and fundraise (the "**Fundraise**"):
 - The Fundraise totaling £57.4 million announced on January 28-31, 2025 was anchored by the National Wealth Fund Limited ("**NWF**") and Vision Blue Resources Limited ("**Vision Blue**"), investing £28.6 million and £18.1 million, respectively, with a further £10.7 million from existing shareholders and new investors, including £1.4 million from a retail offer;
 - The Fundraise is expected to provide financial runway through to the end of Q1 2026 and enables the Company to further de-risk the South Crofty tin project and advance it towards a formal final investment decision.
- Grant funding investment:
 - South Crofty's Bartles Foundry project received grant funding of up to £4.2 million from the Cornwall and Isles of Scilly Good Growth Programme, which is managed by Cornwall Council and funded by the UK Government through the UK Shared Prosperity Fund;
 - The first claim in the amount of approximately £0.7 million was submitted to the Council in late July and is expected to be received by the end of August 2025.
- Key long-lead item orders:
 - Orders have been placed with Qualter Hall & Company Limited ("**Qualter Hall**") for the design, manufacture, supply, installation and commissioning of the production and service winders to be used at South Crofty's New Cook's Kitchen ("**NCK**") shaft.
- Mine dewatering and NCK shaft refurbishment progress:
 - Mine dewatering has resumed near full capacity following completion of staged maintenance of the submersible pumps that resulted in reduced pump availability and delays in the servicing one of the pump motors;

- Refurbishment of NCK shaft is progressing well with advance rates back in-line with the plan for mine dewatering;
- The mid-shaft pump station at approximately 360 metres below surface has been reached. Securing the work area and stabilising of the underground chamber of the pump station, enabling the installation of new permanent pumps, has commenced;
- Mine dewatering and NCK shaft refurbishment to the lower pump station level (approximately 730 metres below surface) are expected to be completed by mid-2026.
- Start of surface works at South Crofty:
 - The first major phase of surface redevelopment at South Crofty started in early July with refurbishment of the Mine Dry building and demolition of the old Bartles Foundry buildings;
 - Excavation and earthworks for the processing plant are expected to commence in August 2025.
- Senior management appointments:
 - Strengthening of the project and operations teams at South Crofty with the appointments of Dave Howe as General Manager and Guillermo Alcazar as Project Director;
 - Mr. Howe has 35 years of open pit and underground hard rock mining (including narrow vein) operational and exploration experience, of which 24 years were in executive and senior management roles;
 - Mr. Alcazar is a project executive with over two decades of global experience leading and overseeing multimillion-dollar complex portfolios of mining, heavy industrial and infrastructure projects across diverse development stages.
- Sale of North American Assets:
 - *Mactung and Cantung royalties*: the deferred consideration of US\$1.5 million was received from Elemental Altus Royalties Corp. (“**Elemental Altus**”) on July 23, 2025;
 - *Nickel King*: the Company received the final cash payment of \$250,000 from Northera Resources Ltd. (“**Northera**”) on July 30, 2025;
 - *Sleitat*: discussions are underway for the disposal of the Sleitat tin-silver exploration asset located in Alaska.
- Purchase of 4.5 acres of land from Cornwall Council:
 - The purchased land is immediately adjacent to existing surface land owned by South Crofty and provides direct access to the main road at Dudnance Lane, where a new entrance to the mine site is planned and where new mine workshops and stores will be located.
- Publication of sustainability report and Digbee rating:
 - The Company published its inaugural sustainability report for the 2024 reporting year marking a meaningful milestone;
 - The report outlines the Company’s performance and progress across key sustainability pillars, including governance and ethics, social responsibility and environmental stewardship, establishing a baseline for future reporting;
 - Cornish Metals was awarded an inaugural overall sustainability rating of “A” by Digbee.
- The re-domiciliation of the Company from Canada to the UK is well advanced and expected to be completed in Q4 2025.

Activities update for the three months ended June 30, 2025 and for the period ending August 13, 2025

Strategic investment and fundraise

On January 28-31, 2025, the Company announced a Fundraise totaling £57.4 million that was anchored by NWF and Vision Blue, investing £28.6 million and £18.1 million, respectively. A further £10.7 million was raised from existing shareholders and new investors, including £1.4 million from a retail offer.

The Fundraise is expected to provide financial runway through to the end of Q1 2026 and enables the Company to further de-risk the South Crofty tin project and advance it towards a formal final investment decision by:

- bringing the South Crofty tin project nearer to production by funding certain elements of the South Crofty tin project’s initial capital expenditure requirements;

- commencing early project works, including initial construction of the groundworks for the processing plant;
- placing orders for long-lead items of plant and equipment; and
- advancing detailed project engineering studies.

Grant funding investment

South Crofty's Bartles Foundry project received grant funding of up to £4.2 million from the Cornwall and Isles of Scilly Good Growth Programme, which is managed by Cornwall Council and funded by the UK Government through the UK Shared Prosperity Fund. The grant funding is equivalent to a maximum of 62% of the total Bartles Foundry project cost estimated at approximately £6.8 million for the construction of workshops and stores on the Bartles Foundry site. This will support the requirements associated with South Crofty moving to production and includes the cost for the purchase of 4.5 acres of land from Cornwall Council mentioned further below (refer news release dated June 11, 2025). The first claim in the amount of approximately £0.7 million was submitted to the Council in late July and is expected to be received by the end of August 2025.

Key long-lead item orders

Orders have been placed with Qualter Hall for the design, manufacture, supply, installation and commissioning of the production and service winders to be used at South Crofty's NCK shaft. The two winders are long-lead items and constitute an important use of proceeds from the fundraise completed in March 2025 (refer news release dated June 3, 2025).

Mine dewatering and refurbishment of New Cook's Kitchen Shaft

Mine dewatering has resumed near full capacity following completion of staged maintenance of the submersible pumps that resulted in reduced pump availability and delays in the servicing one of the pump motors. Refurbishment of NCK shaft is progressing well with advance rates back in-line with the plan for mine dewatering.

The mid-shaft pump station at approximately 360 metres below surface has been reached. Securing the work area and stabilising of the underground chamber of the pump station, enabling the installation of new permanent pumps, has commenced. Shaft refurbishment and mine dewatering will continue in parallel with this work, down to the current level of the submersible pumps at approximately 380 metres below surface.

Work on the pump station is expected to be completed during Q4 2025. The submersible pumps will then be lowered to the lower pump station level (approximately 730 metres below surface) and mine dewatering and shaft refurbishment will resume at that point. Mine dewatering and NCK shaft refurbishment to the lower pump station level are expected to be completed by mid-2026 (refer news releases dated July 23, 2025 and August 12, 2025).

Start of surface works at South Crofty

The first major phase of surface redevelopment at South Crofty started in early July with refurbishment of the Mine Dry building and demolition of the old Bartles Foundry buildings. Excavation and earthworks for the processing plant are expected to commence in August 2025 (refer news release dated July 23, 2025).

Senior management appointments

On April 27, 2025, the Company announced the appointments of Dave Howe as General Manager and Guillermo Alcazar as Project Director, strengthening the project and operations teams at South Crofty as the project transitions to construction and development.

Mr. Howe has 35 years of open pit and underground hard rock mining (including narrow vein) operational and exploration experience, of which 24 years were in executive and senior management roles. He has experience in rehabilitation of old previously operating wet mines, including drilling, dewatering and developing them back into successful operation, and has also managed different narrow vein mines.

Mr. Alcazar is a project executive with over two decades of global experience leading and overseeing multimillion-dollar complex portfolios of mining, heavy industrial and infrastructure projects across diverse development stages.

The Company also announced that Owen Mihalop, Chief Operating Officer, left the Company with effect from April 25, 2025 in order to pursue new opportunities (refer news releases dated April 27, 2025).

Land purchase from Cornwall Council

On April 1, 2025, the Company announced the purchase of a 4.5-acre land parcel from Cornwall Council that is immediately adjacent to South Crofty surface infrastructure. The land purchase provides direct access to the main road at Dudnance Lane where a new entrance to the mine site is planned and where new mine workshops and stores will

be located. This acquisition increased the total land area at South Crofty owned by the Company to approximately 32.5 acres (refer news release dated April 1, 2025).

Sale of North American assets

Mactung and Cantung royalties: the deferred consideration of US\$1.5 million was received from Elemental Altus on July 23, 2025.

Nickel King property: on July 30, 2025, the Company received the final cash payment of \$250,000 from Northera, resulting in the agreed aggregate cash consideration of \$500,000 being received in full. The Company will transfer the Nickel King property to Northera upon finalization of a definitive sales agreement. Upon completion of a go-public transaction by Northera, resulting in a listing of securities on the TSX Venture Exchange, or other stock exchange, Northera will issue to Cornish Metals common shares in the capital of Northera having an aggregate market value equal to \$5 million.

Sleitat: the Company is in discussions to dispose of the Sleitat tin-silver exploration asset located in Alaska, USA.

Publication of sustainability report and Digbee rating

The Company published its inaugural sustainability report for the 2024 reporting year marking a meaningful milestone. The report, published in accordance with the Global Reporting Initiative ("GRI") Standards, outlines the Company's performance and progress across key sustainability pillars, including governance and ethics, social responsibility and environmental stewardship, establishing a baseline for future reporting.

Cornish Metals was awarded an inaugural overall sustainability rating of "A" by an independent panel of globally recognised sustainability experts from Digbee. This initial submission provides insights to enhance risk mitigation strategies, ensuring well-informed decision-making as the Company advances towards the responsible operation of South Crofty.

Next steps for the South Crofty Project

As described above, the Company continues to advance and de-risk the South Crofty tin project towards production. The Company's near-term objectives are as follows:

- Complete dewatering of South Crofty mine and refurbishment of NCK shaft;
- Advance detailed engineering and Front End Engineering Design ("FEED");
- Place deposits for long lead items of plant and equipment;
- Commence and advance early project works, including initial construction of the groundworks for the processing plant; and
- Arrange project financing for the South Crofty tin project.

Results of operations

Financial highlights for the six months ended June 30, 2025 and June 30, 2024

	Six months ended	
	June 30, 2025	June 30, 2024
<i>(Expressed in Canadian dollars)</i>		
Total operating expenses	7,618,614	4,561,792
Loss for the period	6,331,711	4,126,256
Net cash used in operating activities	(6,275,976)	(2,281,351)
Net cash used in investing activities	(17,906,530)	(17,830,778)
Net cash provided by (used in) financing activities	87,513,355	(96,159)
Cash at end of the period	73,777,481	6,048,987

- Operating expenses have risen reflecting increased professional fees associated with the planned re-domiciliation of the Company from Canada to the UK and costs relating to more corporate activity as the South Crofty tin project is advanced;
- Project related expenditure of \$11.3 million for the advancement of South Crofty, primarily relating to NCK

shaft re-access & refurbishment, preparation for the refurbishment of the mid-shaft pump station, ongoing project engineering studies and preliminary work for the construction of workshops & stores;

- Dewatering costs of \$3.1 million for power, reagents, sludge disposal and maintenance of the water treatment plant (“WTP”);
- Receipt of \$87.5 million in net proceeds from the Fundraise after repayment of the debt facility with Vision Blue which was settled through a set-off with the Fundraise; and
- Cash increased by \$63.3 million to \$73.8 million at the period end due to the proceeds received from the Fundraise offset by ongoing development activities at the South Crofty tin project.

Commentary for the six months ended June 30, 2025

	<i>Six months ended</i>	
	<i>June 30, 2025</i>	<i>June 30, 2024</i>
Total operating expenses	(7,618,614)	(4,561,792)
Interest income	990,074	408,554
Interest expense	(486,337)	-
Foreign exchange gain (loss)	653,023	(28,040)
Gain on receipt of non-refundable deposit	150,000	91,296
Unrealized loss on marketable securities	<u>(19,857)</u>	<u>(36,274)</u>
Loss for the period	(6,331,711)	(4,126,256)
Foreign currency translation	<u>5,213,456</u>	<u>2,391,472</u>
Total comprehensive loss for the period	<u>\$ (1,118,255)</u>	<u>\$ (1,734,784)</u>

During the six months ended June 30, 2025 (the “**Current Period**”), expenses totaled \$7,618,614 as compared to expenses of \$4,561,792 for the six months ended June 30, 2024 (the “**Comparative Period**”). This increase is mainly attributable to higher professional fees, office expenditure, corporate remuneration and share-based compensation expense, as more fully described below:

- Professional fees (Current Period - \$2,760,849; Comparative Period - \$808,767) increased due to costs associated with the planned re-domiciliation of the Company from Canada to the UK, consultancy fees on a review of existing IT systems and recommendations for their replacement, remuneration advisory work, costs associated with the inaugural sustainability report and debt advisory retainer fees for project financing.
- Office, miscellaneous and rent expenses (Current Period - \$232,055; Comparative Period - \$118,207) increased due to higher sponsorship expenditure for events supported by the Company and the commencement of rental costs for an office in London.
- Salaries, directors’ fees and benefits expense (Current Period - \$3,617,610; Comparative Period - \$2,599,660) increased primarily due to:
 - A bonus of \$125,000 paid to the interim Chief Executive Officer which was payable three months after the appointment of a permanent replacement;
 - Bonuses payable in April 2025 along with pay increases awarded to all employees back dated to January 1, 2025;
 - A termination settlement of \$615,827 in respect of Owen Mihalop, the former Chief Operating Officer, who left the Company’s employment on April 25, 2025; and
 - In the Comparative Period, a termination settlement of \$1,106,601 was paid to Richard Williams, the former Chief Executive Officer, who left the Company’s employment on March 31, 2024 which has mitigated the movement between periods.
- Share-based compensation expense (Current Period - \$151,606; Comparative Period - \$130,799) increased due to the award of stock options in August 2024 and October 2024 and the first award of performance shares in May 2025.

Interest income (Current Period - \$990,074; Comparative Period - \$408,554) was higher reflecting a higher average cash balance in the Current Period compared to the Comparative Period.

Interest expense (Current Period - \$486,337; Comparative Period - \$Nil) has arisen due to the interest charge on the debt facility with Vison Blue which was not in place in the Comparative Period.

Foreign exchange gain (Current Period - \$653,023; Comparative Period - foreign exchange loss of \$28,040) has arisen primarily due to the US dollar denominated NSR liability and the appreciation of the British pound against the US dollar subsequent to the liability being recognized within Cornish Minerals UK Limited whose functional currency is the British pound.

Gain on receipt of non-refundable deposit (Current Period - \$150,000; Comparative Period - \$91,296) has arisen from the recognition of the second non-refundable deposit for the sale of the Nickel King property.

During the Current Period, an unrealized loss on marketable securities of \$19,857 was recognized (Comparative Period – \$36,274). 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 in 2022.

The Company recognized a foreign currency translation gain of \$5,213,456 (Comparative Period –\$2,391,472) in comprehensive income arising on the translation of entities whose functional currency is not the Canadian dollar.

Commentary for the three months ended June 30, 2025

	<i>Three months ended</i> <i>June 30, 2025</i>	<i>June 30, 2024</i>
Total operating expenses	(4,428,891)	(1,802,594)
Interest income	856,492	142,888
Foreign exchange gain (loss)	275,131	(9,140)
Gain on receipt of non-refundable deposit	-	91,296
Unrealized gain on marketable securities	<u>9,163</u>	<u>12,963</u>
Loss for the period	(3,288,105)	(1,564,587)
Foreign currency translation	<u>1,325,644</u>	<u>977,535</u>
Total comprehensive loss for the period	<u>\$ (1,962,461)</u>	<u>\$ (587,052)</u>

During the three months ended June 30, 2025 (the “**Current Quarter**”), expenses totaled \$4,428,891 as compared to expenses of \$1,802,594 for the three months ended June 30, 2024 (the “**Comparative Quarter**”). This increase is mainly attributable to higher professional fees, office expenditure and corporate remuneration offset by lower share-based compensation expense, as more fully described below:

- Professional fees (Current Quarter - \$2,219,506; Comparative Quarter - \$533,674) increased due to costs associated with the planned re-domiciliation of the Company from Canada to the UK, remuneration advisory work, costs associated with the inaugural sustainability report and debt advisory retainer fees for project financing.
- Office, miscellaneous and rent expenses (Current Period - \$140,829; Comparative Period - \$61,702) increased due to the commencement of rental costs for an office in London.
- Salaries, directors' fees and benefits expense (Current Quarter - \$1,639,058; Comparative Quarter - \$743,516) increased primarily due to:
 - A termination settlement of \$615,827 in respect of Owen Mihalop, the former Chief Operating Officer, who left the Company's employment on April 25, 2025; and
 - Pay increases awarded to all employees back dated to January 1, 2025.
- Share-based compensation expense (Current Quarter - \$(11,011); Comparative Quarter - \$7,000) decreased due to options lapsing in the Current Quarter.

Interest income (Current Quarter - \$856,492; Comparative Quarter - \$142,888) was higher reflecting a higher cash balance in the Current Quarter compared to the Comparative Quarter.

Gain on the receipt of non-refundable deposit (Current Quarter - \$nil; Comparative Quarter - \$91,296) arose from the receipt of the initial non-refundable consideration received in respect of the disposal of the Nickel King property less related legal expenses incurred to June 30, 2024.

During the Current Quarter, an unrealized gain on marketable securities of \$9,163 was recognized (Comparative Quarter – \$12,963). This gain is attributable to the higher fair value of the Company's holding in Electric Royalties Limited as compared to its fair value as at March 31, 2025.

The Company recognized a foreign currency translation gain of \$1,325,644 (Comparative Quarter –\$977,535) in comprehensive income arising on the translation of entities whose functional currency is not the Canadian dollar.

Assets and liabilities

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
ASSETS		
Current		
Cash	\$ 73,777,481	\$ 9,589,029
Marketable securities	3,108,832	2,874,696
Receivables	3,650,460	2,697,326
Other current assets	<u>1,219,926</u>	<u>1,142,620</u>
	81,756,699	16,303,671
Other non-current assets	113,352	64,341
Property, plant and equipment	29,344,240	27,132,244
Exploration and evaluation assets	<u>100,771,833</u>	<u>79,961,014</u>
	\$ 211,986,124	\$ 123,461,270
LIABILITIES		
Current		
Loan liability	\$ -	\$ 13,457,169
Other current liabilities	<u>6,507,324</u>	<u>4,195,083</u>
	6,507,324	17,652,252
NSR liability	<u>9,340,224</u>	<u>9,869,289</u>
	15,847,548	27,521,541
SHAREHOLDERS' EQUITY		
Capital stock	229,373,265	128,394,652
Reserves	<u>(33,234,689)</u>	<u>(32,454,923)</u>
	196,138,576	95,939,729
	\$ 211,986,124	\$ 123,461,270

Total assets increased to \$211,986,124 as at June 30, 2025 as compared to total assets of \$123,461,270 as at December 31, 2024. The increase in the Company's asset base is attributable to:

- An increase in cash of \$87,513,355 arising from the Fundraise;
- A foreign currency gain of \$5,213,456 arising from the appreciation of the British pound and the resulting impact of UK subsidiaries being translated into Canadian dollars; offset by
- A loss for the Current Period of \$6,331,711 arising from increased operating expenses as detailed above.

The significant movements in assets and liabilities between December 31, 2024 and June 30, 2025 are as follows:

- Cash increased from \$9,589,029 as at December 31, 2024 to \$73,777,481 as at June 30, 2025 as a result of the Fundraise in the Current Period. This has been offset by ongoing development activities at the South Crofty tin project and expenditure at a corporate level.

- Marketable securities increased from \$2,874,696 as at December 31, 2024 to \$3,108,832 as at June 30, 2025 as the Company received the next tranche of common shares in Cornish Lithium in January 2025 pursuant to the exploration agreement between the Company and Cornish Lithium.
- Receivables increased from \$2,697,326 as at December 31, 2024 to \$3,650,460 as at June 30, 2025 due to the increase in the VAT receivable balance. The VAT receivable balance has increased due to higher activity levels associated with the South Crofty tin project.
- Other current assets increased from \$1,142,620 as at December 31, 2024 to \$1,219,926 as at June 30, 2025 due to the timing of contractual payments. The increase has been mitigated by deferred financing fees being offset against the gross proceeds raised from the Fundraise.
- Property, plant and equipment (“PPE”) increased from \$27,132,244 as at December 31, 2024 to \$29,344,240 as at June 30, 2025 with the movement primarily relating to:
 - Additions amounting to \$2,876,248, most of which relates to the purchase of land at South Crofty and the delivery of two underground drill rigs;
 - Depreciation of \$1,699,266, most of which relates to the WTP which had a carrying value of \$15,270,484 as at June 30, 2025 as compared to a carrying value of \$15,810,909 as at December 31, 2024; and
 - Foreign currency gain of \$1,035,014 due to the appreciation of the British pound against the Canadian dollar.
- Exploration and evaluation assets of \$100,771,833 as at June 30, 2025, representing 48% of total assets, have increased from \$79,961,014 as at December 31, 2024. The movement in the balance primarily relates to:
 - Expenditure of \$15,719,289 incurred during the Current Period, analysed as:
 - general running costs of South Crofty amounting to \$1,289,027;
 - costs of \$11,333,195 for the advancement of South Crofty, primarily relating to NCK shaft re-access & refurbishment, preparation for the refurbishment of the mid-shaft pump station at 360 metres depth, ongoing project engineering studies and preliminary work for the construction of workshops & stores at the old Bartles Foundry site; and
 - dewatering costs of \$3,097,067 for power, reagents, sludge disposal and maintenance of the WTP.
 - Foreign currency translation gain of \$3,349,441 due to the appreciation of the British pound against the Canadian dollar;
 - Capitalized depreciation of \$1,699,266 as the depreciation relates to PPE acquired for the development of South Crofty.

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

	<i>December 31, 2024</i>	<i>Expended during the period</i>	<i>June 30, 2025</i>
<i>Cornwall Mineral Properties</i>			
Exploration costs	\$ 36,567,368	\$ 9,792,639	\$ 46,360,007
Tenure and utility costs	2,791,062	276,810	3,067,872
Office and remuneration costs	16,161,953	5,649,840	21,811,793
Capitalized depreciation	5,149,378	1,699,266	6,848,644
Asset acquisition	15,122,062	-	15,122,062
Recovery of costs	(720,098)	(144,060)	(864,158)
Share-based compensation	381,668	186,883	568,551
Foreign currency translation	4,507,621	3,349,441	7,857,062
	<u>\$ 79,961,014</u>	<u>\$ 20,810,819</u>	<u>\$ 100,771,833</u>

- Loan liability decreased from \$13,457,169 as at December 31, 2024 to \$Nil as at June 30, 2025 due to repayment of the secured debt facility entered into with Vision Blue on October 15, 2024 through a set-off with the proceeds from the Fundraise.
- Other current liabilities increased from \$4,195,083 as at December 31, 2024 to \$6,507,324 as at June 30, 2025 reflecting increased procurement following the Fundraise reflecting higher activity levels at the South Crofty tin project.
- Long-term liabilities decreased from \$9,869,289 as at December 31, 2024 to \$9,340,224 as at June 30, 2025 as a result of the re-measurement of the US dollar denominated NSR liability into Canadian dollars for presentational purposes.

Liquidity and capital resources

	<i>Six months ended</i>	
	<i>June 30, 2025</i>	<i>June 30, 2024</i>
Cash used in operating activities	(6,275,976)	(2,281,351)
Cash used in investing activities	(17,906,530)	(17,830,778)
Cash provided by (used in) financing activities	87,513,355	(96,159)
Change in cash during the period	63,330,849	(20,208,288)
Cash at beginning of the period	9,589,029	25,791,552
Impact of foreign exchange on cash	857,603	465,723
Cash at end of the period	\$ 73,777,481	\$ 6,048,987

Cash increased by \$63,330,849 in the Current Period (Comparative Period – decreased by \$20,208,288) to \$73,777,481 as at June 30, 2025 due to the Fundraise, offset by ongoing development activities at the South Crofty tin project. The significant movements in cash during the Current Period were as follows:

- Cash used in operations was impacted by an increase in operating expenses for the reasons noted above.
- The Company used \$17,906,530 (Comparative Period – \$17,830,778) for investing activities related to the advancement of the South Crofty tin project, including:
 - \$2,811,621 for the acquisition of PPE; and
 - \$15,049,324 for expenditure which was capitalized to exploration and evaluation assets;
- Cash provided by financing activities was \$87,513,355 (Comparative Period- used \$96,159 in financing activities) relating to:
 - \$91,566,076 in proceeds received from the Fundraise which is presented net of the repayment of the secured debt facility entered into with Vision Blue as this was settled through a set-off with the proceeds from the Fundraise; and
 - \$4,052,721 incurred in relation to share issue costs incurred pursuant to the Fundraise.

The impact of a foreign currency translation gain on cash during the Current Period was \$857,603 (Comparative Period – \$465,723). The British pound has appreciated against the Canadian dollar since December 31, 2024 resulting in a foreign exchange gain.

The Company's working capital as at June 30, 2025 was positive \$75,249,375 as compared to negative working capital of \$1,348,581 as at December 31, 2024. The most significant changes within working capital during the Current Period related to the Fundraise and repayment of the secured debt facility as noted above.

Outstanding share data

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

As at August 13, 2025, there were 1,253,501,993 common shares issued and outstanding.

During the Current Period, 225,000,000 warrants expired (Comparative Period – nil).

As at August 13, 2025, the Company had the following stock options and performance shares outstanding:

	<i>Outstanding</i>	<i>Exercise Price</i>	<i>Exercisable</i>	<i>Expiry date</i>
Stock options	3,600,000	\$ 0.10	3,600,000	August 19, 2025
	7,066,667	0.33 ¹	5,066,887	July 17, 2028
	800,000	0.34 ¹	266,640	October 1, 2028
	9,600,000	0.16 ²	-	August 19, 2029
	2,500,000	0.16 ²	-	October 21, 2029
Performance shares	12,315,951	-	-	May 23, 2035

- 1 Pursuant to the terms of the share option award, the exercise price of these options is £0.18 for non-Canadian option holders or \$0.30 for Canadian option holders.
- 2 Pursuant to the terms of the share option award, the exercise price of these options is £0.085 for non-Canadian option holders or \$0.14 for Canadian option holders.

The Company has an existing stock option plan (the “**Legacy Option Plan**”) which has been replaced by a performance share plan (“**Performance Share Plan**”). Effective from February 4, 2025, the Company is no longer awarding options under the Legacy Option Plan but any outstanding options will continue to be governed by the Legacy Option Plan.

During the Current Period, 3,333,333 options under the Legacy Option Plan lapsed due to vesting conditions not being met (Comparative Period – 2,400,000).

During the Current Period, the Company granted 12,837,423 (Comparative Period – nil) performance shares under the Performance Share Plan to employees with an estimated fair value of \$1,111,416. Performance shares have been granted as nil-cost options which vest at the end of a three-year performance period. The performance period runs from January 1, 2025 to December 31, 2027. The performance targets are equally weighted between:

- Achievement of milestone key performance indicators, namely project execution, full project financing, mineral resource conversion and key environmental, social and governance targets; and
- Relative shareholder return against the constituents of the AIM Basic Resource Index and a peer group of listed global tin producers and developers.

During the Current Period, the Company recognized \$338,489 (Comparative Period - \$217,336) in share-based compensation, of which \$151,606 (Comparative Period - \$130,799) was expensed and \$186,883 (Comparative Period - \$86,537) was capitalized to exploration and evaluation assets.

Transactions with related parties

Debt facility

During the year ended December 31, 2024, the Company entered into a secured debt facility for US\$9,145,000 with Vision Blue, a significant shareholder of the Company. The term of the facility was until March 31, 2025 with an interest rate of 15% per annum. The security comprised fixed and floating charges over the Company’s assets except mineral rights in the United Kingdom which are already pledged as security under the NSR. The proceeds of the facility were used for the Company’s general operating and corporate purposes.

Certain of Vision Blue’s subscription to the Fundraise was used to repay the facility by way of set-off.

Participation in Fundraise

- Received \$228,263 in aggregate from directors for their participation in the Fundraise as follows: Patrick Anderson: \$9,936, Ken Armstrong: \$14,989, Stephen Gatley: \$28,471, Samantha Hoe-Richardson: \$17,872, Don Njegovan: \$10,044, Anthony Trahar: \$111,206 and Lodewyk Daniel Turvey: \$35,745;
- Received \$33,254,397 from Vision Blue for its participation in the Fundraise; and
- Received \$52,834,291 from NWF for its participation in the Fundraise which resulted in NWF becoming a related party of the Company with effect from March 24, 2025.

Key management compensation

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30, 2025</i>	<i>June 30, 2024</i>	<i>June 30, 2025</i>	<i>June 30, 2024</i>
Salaries, bonuses and benefits ¹	\$ 1,727,494	\$ 422,841	\$ 2,282,377	\$ 1,914,276
Directors' fees	134,712	135,519	266,477	274,067
Share-based compensation ²	(68,762)	(33,281)	62,784	108,635
Total	\$ 1,793,444	\$ 525,079	\$ 2,611,638	\$ 2,296,978

¹ Allocated \$2,210,230 (June 30, 2024 - \$1,839,330) to salaries and benefits, including a termination settlement of \$615,827 in respect of the former Chief Operating Officer (June 30, 2024 – termination settlement of \$1,106,601 in respect of the former Chief Executive Officer), and \$72,147 (June 30, 2024 - \$74,946) to professional fees.

² Includes the reversal of share-based compensation charges in respect of the former Chief Operating Officer (June 30, 2024 – Chief Executive Officer) on termination of their employment contract.

Commitments and contingent liability

There has been no material change to the nature of the Company's commitments and contingent liability to those described in Note 17 of the audited consolidated financial statements for the year ended December 31, 2024 and the eleven months ended December 31, 2023. These have been updated to reflect new commitments made and commitments fulfilled during the Current Period as set out in Note 13 of the consolidated condensed interim financial statements for the six months ended June 30, 2025 and June 30, 2024.

Risks and uncertainties

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 Cornwall 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 for accounting purposes, liquidity risk is the most significant risk faced by the Company at the present time.

The Company announced the Fundraise in January 2025 which completed in March 2025 after receiving regulatory and shareholder approval. The Fundraise is expected to provide the Company with sufficient liquidity to March 2026 by which time a final investment decision for the development of the South Crofty tin project is expected to have been taken. Thereafter, project finance funding will be required to develop the South Crofty tin project and bring it into production. The Company is evaluating opportunities for project finance funding, but there can be no certainty that these opportunities will materialize by March 2026. Furthermore, whilst the Fundraise set out a use of proceeds including expenditure for early construction works and deposits for long lead items, uncertainty remains over the timing and quantum of such expenditure given their nature.

These considerations result in material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern.

There has been no material change to the identified financial risks described in the Annual MD&A. These can also be found in Note 3 of the consolidated condensed interim financial statements for the six months ended June 30, 2025 and June 30, 2024.

Financial instruments

A description of the Company's financial instruments and the financial risks to which the Company is exposed can be found in Note 3 of the consolidated condensed interim financial statements for the six months ended June 30, 2025 and June 30, 2024.

Capital management

A description of the Company's capital management can be found in Note 12 of the consolidated condensed interim financial statements for the six months ended June 30, 2025 and June 30, 2024.

Significant accounting estimates and judgments

A description of the Company's significant accounting estimates and judgments can be found in Note 3 (a) of the audited consolidated financial statements for the year ended December 31, 2024 and the eleven months ended December 31, 2023.

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 the six months ended June 30, 2025 and June 30, 2024 prepared in accordance with IFRS. These statements are available on SEDAR+ at www.sedarplus.ca.

Additional information

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

Forward-looking statements

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

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

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

assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to receipt of regulatory approvals, risks related to general economic and market conditions; risks related to the availability of financing; the timing and content of upcoming work programmes; actual results of proposed exploration activities; possible variations in Mineral Resources or grade; Vision Blue Resources' ("VBR") and National Wealth Fund's ("NWF") significant influence over the Company, the potential impacts of VBR's and NWF's significant interest in the Company on the liquidity of the shares; restrictions under certain negative covenants agreed to by the Company under the Investment Agreements; the termination of the Investment Agreements; risks that VBR or NWF may not maintain their equity interests in the Company; projected dates to commence mining operations; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; changes in national and local government regulation of mining operations, tax rules and regulations. The list is not exhaustive of the factors that may affect Cornish's forward-looking statements.

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

Approval

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