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Cornish Metals Inc.
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CORNISH METALS ANNOUNCES A RESTRUCTURING OF THE DEFERRED CONSIDERATION PAYABLE FOR THE CORNWALL ASSETS

July 1, 2021

Cornish Metals Inc. (**TSX-V/AIM: CUSN**) ("Cornish Metals" or the "Company") is pleased to announce that it has reached agreement with Galena Special Situations Limited (formerly Galena Special Situations Master Fund Limited) and Tin Shield Production Inc. (together the "Sellers") to restructure the deferred consideration to be paid to the Sellers on the acquisition of the South Crofty tin project and associated mineral rights in 2016 (see news release dated March 17, 2016).

Key highlights:

- Replacement of fixed and variable payments under the original share purchase agreement with fixed payments linked to pre-agreed project related milestones.

- Subject to shareholder approval, the new fixed payments comprise:

  - 7,000,000 common shares without par value in the share capital of the Company ("common shares") (issued to the Sellers immediately upon receipt of shareholder approval);

  - US$4,750,000 to be paid in common shares upon closing of either the financing for the dewatering of the mine at the South Crofty tin project, and / or any interim financings (up to 10% of the gross proceeds of such interim financings); and

  - US$5,000,000 to be paid in common shares upon closing of the development and/or construction financing of a mine either at the South Crofty tin project or at the United Downs property.

Richard Williams, CEO of Cornish Metals, stated, "The restructured payment schedule provides clarity and certainty to the market about what is required to make our Cornish projects a success. We would like to thank our partners for working with us to achieve this outcome, which is positive for all concerned.

"With growing UK interest in responsible domestic sourcing of materials and commodities essential to meet net-zero objectives, and on the back of

Cornwall's successful G7 summit, we see this agreement as the opportunity to accelerate the work we are doing to revive the tin and copper industry in the UK."

Pursuant to a share purchase agreement dated March 16, 2016 among the Sellers, Cornish Metals Limited (formerly Strongbow Exploration (UK) Limited) ("CML") and the Company, as amended (the "SPA"), the Company acquired a 100% interest in its South Crofty tin project and associated mineral rights in Cornwall, UK.

On June 30, 2021, the Company, CML and the Sellers entered into a side letter (the "Side Letter") to amend certain terms and conditions of the deferred consideration which may become payable to the Sellers under the SPA (the "Amendments").

Prior to entering into the Side Letter, the balance of consideration payable to the Sellers pursuant to the SPA (the "Prior Deferred Consideration") was as follows:

(a) the issuance to the Sellers, in aggregate, of 2,000,000 common shares of the Company following the delivery of a positive feasibility study or commencement of commercial production for the South Crofty tin project, whichever occurs first; and

(b) a cash and/or common share payment (at the election of CML) to the Sellers equal to 25% of the after-tax net present value ("NPV") of the South Crofty tin project upon making a decision to go into production. In the event that the Company's market capital on a non-diluted basis is less than the NPV when such a production decision is made, CML will pay the equivalent of 25% of the Company's market capital to the Sellers (the "Market Cap Payment") and an amount equal to the 25% of the NPV less the Market Cap Payment will be paid out as a 5% net profits interest from the date of the production decision, as determined pursuant to the SPA.

Subject to the receipt of shareholder approval for the issue of common shares pursuant to the Amendments ("Shareholder Approval") and all necessary regulatory approvals in connection with the transactions contemplated under the Side Letter, including the approval of the TSX Venture Exchange, the provisions in the SPA relating to the Prior Deferred Consideration will, pursuant to the Amendments, be deleted and replaced in their entirety with the following deferred consideration:

(a) 7,000,000 common shares to be issued by the Company to the Sellers following the receipt of Shareholder Approval;

(b) US$9,750,000, to be paid by CML to the Sellers as follows:

(i) a maximum of US$4,750,000, to be paid as follows:

1. an amount equal to 10% of the gross proceeds of any financings by the Company; and

2. on a decision made by the Company to proceed with a financing for the dewatering of the mine at the South Crofty tin project, an amount equal to US$4,750,000 (less the aggregate of any payments made pursuant paragraph (b)(i)(1) above); and

(ii) the balance of the US$9,750,000 which has not already been paid pursuant to paragraph (b)(i) above, to be paid on a decision made by the Company to proceed with the development and/or construction of a mine either at the South Crofty tin project or at the United Downs property,

with such payments to be satisfied by the Company issuing to the Sellers on the closing of the financings referred to, or required to fund the implementation of the decisions, in paragraphs (b)(i) and (b)(ii) above, that number of common shares that is equal in value to the relevant payment due to the Sellers divided by either:

(iii) the issue price of any new equity issued to the existing or third party investors under any relevant financing; or

(iv) if such financing does not include an equity component, the price equal to the 20 day volume weighted average price of the common shares calculated using the 20 business days immediately prior to the date on which such common shares are required to be issued; or

(v) in the case of any part of the payment due under paragraph (b)(ii) above which is in excess of US$5,000,000, the volume weighted average price of the common shares issued to the Sellers pursuant to paragraph (b)(i)(1) above.

Each tranche of common shares will be subject to a four month hold period from the date of issue.

Shareholders will be asked to provide Shareholder Approval at the Company's Annual General and Special Meeting to be held by live audio teleconference on July 30, 2021. For more information, please see the Company's management information circular dated June 30, 2021 which will be available on the Company's profile on SEDAR at www.sedar.com.

ABOUT CORNISH METALS

Cornish Metals completed the acquisition of the South Crofty tin and United Downs copper / tin projects, plus additional mineral rights located in Cornwall, UK, in July 2016 (see Company news release dated July 12, 2016). The additional mineral rights cover an area of approximately 15,000 hectares

and are distributed throughout Cornwall. Some of these mineral rights cover old mines that were historically worked for copper, tin, zinc, and tungsten.

For additional information please contact:
In North America:
Irene Dorsman at (604) 210 8752 or by e-mail at irene@cornishmetals.com

SP Angel Corporate Finance LLP (Nominated Adviser & Joint Broker)	Tel:	+44 203 470 0470
	Richard Morrison Charlie Bouverat Grant Baxter	
Hannam & Partners (Joint Broker)	Tel:	+44 207 907 8500
	Matthew Hasson Andrew Chubb Ernest Bell	
Blytheweigh (Financial PR/IR-London)	Tel:	+44 207 138 3204
	Tim Blythe Megan Ray	tim.blythe@blytheweigh.com megan.ray@blytheweigh.com

ON BEHALF OF THE BOARD OF DIRECTORS

"Richard D. Williams"
Richard D. Williams, P.Geo

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Caution regarding forward looking statements

This news release contains "forward-looking statements", including but not limited to, statements with respect to the Amendments, the receipt of Shareholder Approval and the receipt of all necessary regulatory approvals in connection with the transactions contemplated under the Side Letter.

Forward-looking statements, while based on management's best estimates and assumptions at the time such statements are made, 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 COVID-19 global pandemic and any variants of COVID-19 which may arise; risks related to the availability of financing; the timing and content of upcoming work programs; actual results of proposed exploration activities; possible variations in Mineral Resources or grade; 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.

Although Cornish Metals has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Cornish Metals undertakes no obligation or responsibility to update forward-looking statements, except as required by law.

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