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CORNISH METALS RELEASES UNAUDITED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED JULY 31, 2021

September 23, 2021

Cornish Metals Inc. (**TSX-V/AIM: CUSN**) ("Cornish Metals" or the "Company"), a mineral exploration and development company focused on its projects in Cornwall, United Kingdom, is pleased to announce that it has released its interim unaudited financial statements and management, discussion and analysis ("MD&A") for the six months ended July 31, 2021. The reports are available under the Company's profile on SEDAR (www.sedar.com) and on the Company's website (www.cornishmetals.com).

Highlights for the six months ended July 31, 2021 and for the period ending September 22, 2021

(All figures expressed in Canadian dollars unless otherwise stated)

- Completion of listing and concurrent financing on AIM in February 2021 raising gross proceeds of £8.2 million ($14.4 million based on closest available exchange rate) to advance the United Downs exploration project and for general working capital purposes (news release dated Feb. 15, 2021);
- Conversion of Osisko loan note in February 2021 into two royalty agreements over mineral properties in Cornwall with an accompanying simplified and reduced security package (news release dated Feb. 22, 2021);
- Agreements reached for the leasing of additional mineral rights at the South Crofty tin project and surface land surrounding the New Roskear Shaft, and binding heads of terms agreed for the disposal of waste material derived from the dewatering of the South Crofty mine (news release dated March 8, 2021);
- Increases in Indicated Resource and Inferred JORC (2012) Compliant Resource of contained tin / tin equivalent by 10.2% and 129.8%, respectively, for the Lower Mine in an updated Mineral Resource Estimate for South Crofty Mine published in June 2021 (news release dated June 9, 2021);
- Commencement of phased exploration program at the United Downs exploration project in April 2021 with results from first 3,042 meters of drilling reported to date, with a further 5,000 to 6,000 meters of drilling planned under the program (news releases dated July 5, 2021 and August 30, 2021);
- Agreement reached for the restructuring of outstanding deferred consideration relating to the acquisition of the South Crofty tin project and associated mineral rights, subject to regulatory approval (news release dated July 1, 2021); and
- Financing options continue to be considered to progress the South Crofty tin project.

Richard Williams, CEO of Cornish Metals, stated, "The past six months has been a busy period for the Company after the successful listing on AIM earlier in the year. The Company's capital structure has been simplified through the conversion of the Osisko loan note into royalties and the restructuring of the deferred consideration payable in respect of the acquisition of the Cornwall mineral properties into fixed payments linked to project related milestones.

Operationally, after the commencement of the exploration program at United Downs in April, we have reported promising results from the first 3,000 meters of drilling, with further drilling planned to fully determine the extent of mineralization at United Downs. We have also reported a substantial increase in mineral resource for South Crofty with further potential with the major lode structures remaining open along strike.

After the simplification of our capital structure and increase in mineral resource, we are assessing various financing options to progress South Crofty which remains a key strategic asset for the Company. South Crofty could potentially play a pivotal role in securing a domestic and sustainable source of battery metals as the UK transitions to a low carbon economy."

Review of activities

Listing on AIM

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

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

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

Conversion of Osisko loan note into royalties

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

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

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

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

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

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

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

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

Updated mineral resource estimate released for South Crofty mine

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

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

A summary of the updated MRE is tabulated below:

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

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

The Lower Mine contains tin mineralization within quartz-tourmaline veins or "lode" structures, which are hosted entirely within granitic rocks. The Upper Mine contains tin, copper and zinc mineralization within quartz-chlorite veins,

predominantly hosted within meta-sedimentary units. The major lode structures that comprise the MRE remain open along strike and to depth.

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

Results from ongoing exploration program at United Downs

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

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

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

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

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

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

Restructuring of the deferred consideration payable for the Cornwall mineral properties

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

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

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

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

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

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

Financial highlights for the six months ended July 31, 2021

	Six months ended (unaudited)	
(Expressed in Canadian dollars)	**July 31, 2021**	**July 31, 2020**
Total operating expenses	1,625,462	746,938

Loss for the period	1,097,062	789,476
Net cash used in operating activities	1,710,060	657,510
Net cash used in investing activities	1,383,840	838,790
Net cash provided by financing activities	13,065,594	1,088,153
Cash at end of the financial period	10,138,512	893,068

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

Outlook

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

Within 12 to 18 months of the date of the AIM listing, the Company plans to:

- Progress an 18 month 9,100 meter initial drilling program at United Downs to advance the project to JORC Compliant Inferred Mineral Resource definition, fully funded from the proceeds arising from the AIM listing. To date, a total of 4,040 meters have been drilled;
- Test three lodes with a 1,000 meter of strike length to a depth of 500 meters in the initial phase. Management believes there are up to seven further mineralized lode structures with a total resource potential of between four million tonnes and ten million tonnes. To date, UD Lode has been traced over a strike length in excess of 200 meters and to a depth of 400 meters. Multiple parallel lode structures are present and drilling continues to further define these along with the principal UD Lode structure. A second target 900 meters to the south of UD Lode, called Trenares Lode, is now also being drill tested;
- Subject to the outcome of the initial drilling program, undertake a subsequent in-fill drilling program at United Downs to advance the project to a feasibility study within three years; and
- Evaluate other near-surface, high potential, exploration targets within transport distance of the planned processing plant site.

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

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.

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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". 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.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)
(Expressed in Canadian dollars)

	July 31, 2021	January 31, 2021
ASSETS		
Current		
Cash	$ 10,138,512	$ 353,601
Marketable securities	1,734,127	1,004,307
Receivables	115,821	23,644
Deferred financing fees	-	688,839
Deferred costs on conversion of royalty option	-	151,037
Prepaid expenses	205,640	41,691
	12,194,100	2,263,119
Deposits	54,035	36,976
Property, plant and equipment	6,315,776	6,371,852
Exploration and evaluation assets	10,920,149	

		9,507,859
	$ 29,484,060	$ 18,179,806
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 680,937	$ 947,124
Lease liability	4,372	20,389
	685,309	967,513
Lease liability	2,810	-
Debt	-	5,993,803
Royalty option	-	2,886,514
NSR liability	8,541,188	-
	9,229,307	9,847,830
SHAREHOLDERS' EQUITY		
Capital stock	53,900,099	40,737,065
Share subscriptions received in advance	-	189,902
Capital contribution	2,007,665	2,007,665
Share-based payment reserve	922,760	846,212
Foreign currency translation reserve	209,187	239,028
Deficit	(36,784,958)	(35,687,896)
	20,254,753	8,331,976
	$ 29,484,060	$ 18,179,806

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)
(Expressed in Canadian dollars)

	Six months ended July 31, 2021	July 31, 2020
EXPENSES		
Accretion	$ 15,764	$ 131,046
Advertising and promotion	166,026	77,180
Depreciation	23,316	44,777
Finance cost	3,895	623
Insurance	43,918	38,931
Office, miscellaneous and rent	39,712	24,217
Professional fees	704,810	66,297
Generative exploration expense	4,376	-
Regulatory and filing fees	91,704	19,531
Share-based compensation	76,548	-
Salaries, directors' fees and benefits	455,393	344,336
Total operating expenses	(1,625,462)	(746,938)
Interest income	497	4,318
Foreign exchange loss	(203,001)	(251)
Realized loss on marketable securities	(237)	-
Unrealized gain (loss) on marketable securities	733,120	(46,605)

Loss on the disposal of property, plant and equipment	(1,979)	-
Loss for the period	(1,097,062)	(789,476)
Foreign currency translation	(29,841)	128,136
Total comprehensive loss for the period	$ (1,126,903)	$ (661,340)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding:	259,248,342	133,301,552

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)
(Expressed in Canadian dollars)

	Six months ended July 31, 2021	Six months ended July 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,097,062)	$ (789,476)
Items not involving cash:		
Accretion	15,764	131,046
Depreciation	23,316	44,777
Share-based compensation	76,548	-
Finance cost	3,895	623
Realized loss on marketable securities	237	-
Unrealized loss (gain) on marketable securities	(733,120)	46,605
Loss on the disposal of property, plant and equipment	1,979	-
Foreign exchange loss	203,001	251
Changes in non-cash working capital items:		
Increase in receivables	(92,177)	(58,408)
(Increase) decrease in prepaid expenses	(76,990)	27,748
Decrease in accounts payable and accrued liabilities	(35,451)	(60,676)
Net cash used in operating activities	(1,710,060)	(657,510)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(81,890)	(318,007)
Acquisition of exploration and evaluation assets	(1,287,953)	(458,983)
Proceeds from the sale of marketable securities, net	3,063	-
Increase in deposits	(17,060)	(61,800)
Net cash used in investing activities	(1,383,840)	(838,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from AIM listing	14,244,206	-
Proceeds from private placement financing	-	1,177,500
Proceeds from option and warrant exercises	235,750	-
Share issue costs	(1,162,613)	(49,427)

Conversion of royalty option costs	(226,290)	-
Lease payments	(25,459)	(39,920)
Net cash used in by financing activities	13,065,594	1,088,153
Impact of foreign exchange on cash	(186,783)	(4,038)
Change in cash during the period	9,784,911	(412,185)
Cash, beginning of the period	353,601	1,305,253
Cash, end of the period	$ 10,138,512	$ 893,068

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Amount	Share subscriptions received in advance	Capital contribution	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance at January 31, 2020	86,768,585	$ 37,271,686	$ 1,175,000	$ 2,007,665	$ 732,930	$ 149,996	$ (34,280,418)	$ 7,056,859
Share issuance pursuant to private placement financing	47,050,000	2,352,500	(1,175,000)	-	-	-	-	1,177,500
Share issue costs	-	(21,621)	-	-	-	-	-	(21,621)
Forfeiture of stock options	-	-	-	-	(63,522)	-	63,522	-
Foreign currency translation	-	-	-	-	-	128,136	-	128,136
Loss for the period	-	-	-	-	-	-	(789,476)	(789,476)
Balance at July 31, 2020	**133,818,585**	**$ 39,602,565**	**$ -**	**$ 2,007,665**	**$ 669,408**	**$ 278,132**	**$ (35,006,372)**	**$ 7,551,398**
Balance at January 31, 2021	149,918,585	$ 40,737,065	$ 189,902	$ 2,007,665	$ 846,212	$ 239,028	$ (35,687,896)	$ 8,331,976
Share issuance pursuant to AIM listing	117,226,572	14,434,108	(189,902)	-	-	-	-	14,244,206
Share issue costs	-	(1,506,824)	-	-	-	-	-	(1,506,824)
Warrant exercises	2,575,000	205,750	-	-	-	-	-	205,750
Option exercises	200,000	30,000	-	-	-	-	-	30,000
Share-based compensation	-	-	-	-	76,548	-	-	76,548
Foreign currency translation	-	-	-	-	-	(29,841)	-	(29,841)
Loss for the period	-	-	-	-	-	-	(1,097,062)	(1,097,062)
Balance at July 31, 2021	**269,920,157**	**53,900,099**	**$ -**	**$ 2,007,665**	**922,760**	**209,187**	**(36,784,958)**	**20,254,753**

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