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Cornish Metals Inc.
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CORNISH METALS RELEASES AUDITED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JANUARY 31, 2022

May 18, 2022

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 annual audited financial statements and management, discussion and analysis ("MD&A") for the year ended January 31, 2022. 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 year ended January 31, 2022 and for the period ending May 17, 2022

(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 February 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 February 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 JORC (2012) compliant Indicated and Inferred Mineral Resource Estimates of contained tin / tin equivalent by 10.2% and 129.8%, respectively, for the Lower Mine in an updated Mineral Resource Estimate for the 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 3,927 meters of drilling reported to date, with further assay results to be reported when available (news releases dated July 5, 2021, August 30, 2021, November 3, 2021 and December 6, 2021);

- Agreement reached for the restructuring of outstanding deferred consideration relating to the acquisition of the South Crofty tin project and associated mineral rights (news releases dated July 1, 2021, October 4, 2021 and November 3, 2021);
- Conditional financing announced in March 2022 to raise gross proceeds of up to £40.5 million ($66.8 million based on closest available exchange rate), including a strategic investment by Vision Blue Resources of £25.0 million ($41.2 million), to advance the South Crofty tin project to a potential construction decision, with completion of the financing subject to, among other things, receipt of TSX-V and shareholder approvals (news release dated March 28, 2022); and
- Mr. Stephen Gatley appointed as an independent non-executive director to the Board in October 2021.

Richard Williams, CEO of Cornish Metals, stated, "After the successful listing on AIM in early 2021, I am delighted with the progress which the Company has made across a number of fronts. These included the simplification of the Company's capital structure, advancing the exploration program at United Downs, increasing the Mineral Resource Estimate for South Crofty, reaching agreement on the deferred consideration for the Cornish assets and agreeing to the leasing of additional mineral rights at South Crofty.

These initiatives culminated in the announcement of a successful launch of a financing at the end of March which included a strategic investment by Vision Blue Resources. Subject to approvals being received, this financing shall open a new chapter for the Company as South Crofty is advanced towards a potential construction decision.

In the coming months, I look forward to reporting on progress at South Crofty and the substantial benefits this will bring to Cornwall and more widely, the UK mining industry."

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 the closing exchange rate as at February 12, 2021). 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.

In connection with the admission of its shares on AIM, the Company, SP Angel Corporate Finance LLP ("SP Angel", 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 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 on March 8, 2021 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.

On February 4, 2022, agreement was reached with Sir Ferrers Vyvyan of Trelowarren in Cornwall to lease certain mineral rights owned by the Vyvyan family. The mineral lease covers an area of 222 hectares and is valid for 25 years. The lease will enable the Company to explore and mine within all the mineral right areas owned by the Vyvyan family inside the South Crofty mine, and to explore certain other mineral right areas adjacent to the South Crofty mine.

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 Mineral Resource to 2.08 million tonnes, grading 1.59% tin, and a 129.8% increase in Inferred Mineral 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'**	**Grade**	**Contained Tin / Tin**	**Increased in**

		tonnes)		Equivalent (000' tonnes)	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

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 focused on tracing the recently discovered high-grade copper-tin mineralization in the structure named "UD Lode" (formerly Lithium Lode) along strike and down dip.

The key points to date arising from the exploration program are:

- The UD Lode has been traced over a 200 meter strike length and 400 meter down dip;
- Several additional zones of copper - tin - silver - zinc mineralization have been intersected adjacent to the UD Lode; and
- Multiple zones of high-grade copper mineralization have been intersected down dip beneath the historic United Mines.

A second target 900 meters to the south of the UD Lode, called Trenares Lode, has also been drill tested. The Trenares Lode is within the United Downs project area.

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, November 3, 2021 and December 6, 2021. The results reported to date represent a total of 3,927 meters of drilling from 11 drill holes.

To date, 17 holes have been drilled into the UD Lode totaling 6,676 meters. For the Trenares Lode, nine holes have been drilled totaling 2,683 meters. The drill program into the UD Lode is continuing and assay results will follow when available.

Outside of the United Downs project area, a third target, Carn Brea has also been drill tested. Carn Brea is located 1.5 kilometers southeast of the South Crofty tin project.

At Carn Brea, eight holes have been drilled totaling 2,504 meters. Drilling has now ceased and assays will follow when available.

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 ("Closing Shares") immediately upon receipt of shareholder and applicable regulatory approval (issued October 29, 2021 at a value of $1,750,000 in accordance with IFRS pursuant to the satisfaction of this commitment);
- in addition to the 7,000,000 Closing Shares, a total of US$9,750,000 to be paid in common shares (the "Milestone Shares") as certain milestones are reached. The Milestone Shares will be as follows:
    - 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). This payment is expected to be settled by the end of May 2022 subject to receipt of shareholder and TSX-V approvals and closing of the conditional financing as noted below; and
    - US$5,000,000 to be paid in common shares upon making a decision to proceed with the development and / or construction 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.

TSX-V approval for the Side Letter was received on November 3, 2021, other than for the issuance of the Closing Shares which was received in October 2021. The future issuance of the Milestone Shares by the Company is subject to TSX-V approval prior to such issuance with the TSX-V determining the acceptability of the pricing of the Milestone Shares at the time of such approval.

Strategic investment by Vision Blue Resources

On March 28, 2022, a conditional financing of up to £40.5 million ($66.8 million based on the closing exchange rate as at March 25, 2022) (the "Offering") was announced, which includes a £25.0 million (approximately $41.2 million based on the closing exchange rate as at March 25, 2022) strategic investment by Vision Blue Resources Limited ("VBR"). The balance of the Offering is expected to be completed through a private placement with certain Canadian and UK investors and eligible private investors.

A summary of the Offering is described below. Further details can be found in the press release dated March 28, 2022.

The Offering is being structured through a unit offering comprising one common share at £0.18 ($0.30 for Canadian investors) and a warrant to purchase one common share priced at £0.27 ($0.45 for Canadian investors) for a period of 36 months from the closing date of the Offering. A total of 225,000,000 units are expected to be issued, comprising around 44.0% of the issued share capital as enlarged by the Offering, excluding the effect of the issuance of the Milestone Shares as described above. VBR is expected to hold approximately 27.2% of the enlarged issued share capital upon closing of the Offering.

The planned use of the proceeds from the Offering is to complete the dewatering program and feasibility study at South Crofty, evaluate downstream beneficiation opportunities and commence potential on-site early works in advance of a potential construction decision. The proceeds raised under the Offering are budgeted to fund a 30 month program from closing of the Offering.

Pursuant to an Investment Agreement entered into between the Company and VBR, upon closing of the Offering, VBR will retain the following rights, among others, subject to certain terms and conditions:

- For so long as its shareholding in the Company are in aggregate not less than 10% of the Company's issued share capital:
  - Nomination of one person to the Company's board of directors as a non-executive director as an additional director to the current board of directors (the "Investor Director");
  - Nomination of one person to the Company's technical committee to be formed from closing of the Offering, which person may be a person other than the Investor Director; and
  - A participation right to maintain its percentage ownership interest in the Company upon any offering of securities at the subscription price and similar terms as are applicable to such offering; and
- For so long as its shareholding and its affiliates' shareholdings in the Company are in aggregate not less than 5% of the Company's issued share capital, the appointment of an observer to the board of directors of the Company.

On closing of the Offering, VBR will enter into a Relationship Agreement with the Company and SP Angel, relating to the carrying on of the Company's business in an independent manner following the closing of the Offering.

The Company has undertaken to VBR to use its reasonable commercial efforts to complete a Feasibility Study in respect of South Crofty on or before 31 December 2024.

The Offering is subject to receipt of TSX-V and shareholder approvals. Completion is expected by the end of May 2022.

As described above, the Company expects to issue to the Sellers, on or about the closing of the Offering, certain Milestone Shares with an aggregate value of US$4,750,000 at the offering price of the financing (converted into US dollars at the exchange rate on the fifth business day before the date of the issue), subject to receipt of approval of the TSX-V.

Appointment of new director

On October 13, 2021, Mr. Stephen Gatley was appointed to the Board as an independent non-executive director. Mr. Gatley is based in the UK and has previously served as a non-executive director of Union Resources Ltd. and Sunridge Gold Corp. He has also been a director of numerous Lundin Mining Corp subsidiary companies and remains as a director of their Portuguese subsidiary, Somincor S.A.

Mr. Gatley is a mining engineer and graduate of the Royal School of Mines, London. He spent the early part of his career working in the Cornish tin industry at both Wheal Jane and South Crofty mines and was the General Manager at South Crofty at the time of its closure in 1998. He also worked for Rio Tinto plc in senior positions at underground base metal mines in both Europe and South America, prior to joining Lundin Mining Corp where he served as Vice President Technical Services from 2012 to 2021.

Financial highlights for the years ended January 31, 2022 and 2021

	Years ended	
	January 31, 2022	**January 31, 2021**
(Expressed in Canadian dollars)		
Total operating expenses	3,007,748	1,986,727
Loss for the year	2,911,140	1,598,400
Net cash used in operating activities	3,085,862	1,264,568
Net cash used in investing activities	3,988,978	1,646,685
Net cash provided by financing activities	13,963,043	1,970,752
Cash at end of the financial year	6,922,704	353,601

- Increase in operating expenses impacted by $368,325 of costs relating to AIM listing not eligible for capitalization;

- Higher operating expenses incurred more generally relating to AIM listing, media/investor activities and corporate initiatives, offset by reduction in costs arising from closure of Vancouver office in April 2021;
- Unrealized gain of $445,703 arising from increased valuation of Company's holding in Cornish Lithium based on allotment price following its fundraising completed in December 2021;
- Costs of $2,108,368 and $419,078, capitalized in connection with the ongoing exploration program at United Downs and Carn Brea, respectively (excluding capitalized depreciation and other non-cash items); and
- Gross proceeds raised from AIM listing of $14.4 million (£8.2 million) with share issue costs of $1.5 million.

Outlook

As described above, subject to receipt of regulatory and shareholder approvals of the Offering which was announced in March 2022, the gross proceeds raised from this Offering will be used to advance the South Crofty tin project to a potential construction decision within 30 months from closing of the Offering. The planned use of the proceeds from the Offering is to complete the dewatering program and Feasibility Study at South Crofty, evaluate downstream beneficiation opportunities and commence potential on-site early works in advance of a potential construction decision.

Within 30 months from the closing of the Offering, the Company's plans are as follows:

- Construct the water treatment plant within six months and thereafter complete the dewatering of the mine within 18 months;
- Complete an underground drill program which is expected to commence in June 2022 in order to delineate a Measured and Indicated Mineral Resource and increase the Indicated and Inferred Mineral Resource once access to the underground workings is obtained;
- Complete a Feasibility Study using all reasonable commercial efforts on or before 31 December 2024;
- Commence basic and detailed engineering studies, construction of the processing plant, refurbishment of underground facilities and other on-site early works; and
- Evaluate downstream beneficiation opportunities in the UK and the rest of Europe.

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 near-surface, high potential, exploration targets within transport distance of the planned processing plant site at South Crofty.

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.

TECHNICAL INFORMATION

The technical information in this news release has been compiled by Mr. Owen Mihalop. Mr. Mihalop has reviewed and takes responsibility for the data and geological interpretation. Mr. Owen Mihalop (MCSM, BSc (Hons), MSc, FGS, MIMMM, CEng) is Chief Operating Officer for Cornish Metals Inc. and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined under the JORC Code (2012) and as a Qualified Person under NI 43-101. Mr. Mihalop consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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ON BEHALF OF THE BOARD OF DIRECTORS

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution regarding forward looking statements

This news release contains "forward-looking statements". These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's projections, outlook, forecast, estimates, plans, potential results of operations or upcoming work programs, financial condition, prospects, growth, strategies and the industry in which the Company operates, including, without limitation: statements in connection with the Offering, including the strategic investment by VBR and the issuance of the units, the amounts expected to be invested, the timeline of certain events in respect thereof, expected security holdings of VBR in the Company following closing of the Offering, the expected participation by other investors in the Offering, the board nomination rights and other rights expected to be granted to VBR under the Investment Agreement following closing of the Offering, the terms and conditions of the Relationship Agreement to be entered into with VBR, 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 and expected benefits in respect thereof, the satisfaction of conditions for closing of the Offering, including the potential receipt of TSX-V and shareholder approvals in respect of the Offering, the expected issuance of the Milestone Shares subject to TSX-V approval, the Company's ability to obtain financing when required and on terms acceptable to the Company, the terms of the Company's Royalty Agreements and other agreements in connection with the South Crofty tin project and other Cornwall mineral properties, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, and exploration activities and the potential success in respect thereof.

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 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 satisfaction of all closing conditions of VBR's subscription and the Offering, 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.

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

Certain information contained in this announcement may have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JANUARY 31

(Expressed in Canadian dollars)

	2022	2021
ASSETS		
Current		
Cash	$ 6,922,704	$ 353,601
Marketable securities	1,574,506	1,004,307
Receivables	107,230	23,644
Deferred financing fees	-	688,839
Deferred costs on conversion of royalty option	-	151,037
Prepaid expenses	231,933	41,691
	8,836,373	2,263,119
Deposits	42,448	36,976
Property, plant and equipment	6,437,175	6,371,852
Exploration and evaluation assets	20,772,029	9,507,859
	$ 36,088,025	$ 18,179,806
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 613,178	$ 947,124
Lease liability	4,204	20,389
Commitment to issue shares	6,041,525	
	6,658,907	967,513
Lease liability	667	-
Debt	-	5,993,803
Royalty option	-	2,886,514
NSR liability	8,717,330	-
	15,376,904	9,847,830
SHAREHOLDERS' EQUITY		
Capital stock	56,846,350	40,737,065
Share subscriptions received in advance	-	189,902
Capital contribution	2,007,665	2,007,665
Share-based payment reserve	630,265	846,212

Foreign currency translation reserve	(174,123)	239,028
Deficit	(38,599,036)	(35,687,896)
	20,711,121	8,331,976
	$ 36,088,025	$ 18,179,806

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JANUARY 31

(Expressed in Canadian dollars)

	2022	2021
EXPENSES		
Accretion	$ 15,764	$ 292,076
Advertising and promotion	372,910	134,790
Depreciation	25,507	87,034
Finance cost	3,895	9,717
Insurance	95,918	79,270
Office, miscellaneous and rent	81,533	36,708
Professional fees	1,027,481	305,633
Generative exploration costs	37,047	3,970
Regulatory and filing fees	129,633	30,567
Share-based compensation	80,554	304,204
Salaries, directors' fees and benefits	1,137,506	702,758
Total operating expenses	(3,007,748)	(1,986,727)
Interest income	1,099	4,537
Foreign exchange loss	(346,883)	(8,007)
Loss on disposal of property, plant and equipment	(3,074)	-
Unrealized gain on marketable securities	445,703	391,797
Realized loss on marketable securities	(237)	-
Loss for the year	(2,911,140)	(1,598,400)
Foreign currency translation	(413,151)	89,032
Total comprehensive loss for the year	$ (3,324,291)	$ (1,509,368)
Basic and diluted loss per share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding:	267,601,284	135,320,393

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 31

(Expressed in Canadian dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,911,140)	$ (1,598,400)
Items not involving cash:		
Accretion	15,764	292,076
Depreciation	25,507	87,034
Share-based compensation	80,554	304,204
Finance cost	3,895	9,717
Realized loss on marketable securities	237	-
Unrealized gain on marketable securities	(445,703)	(391,797)
Loss on disposal of property, plant and equipment	3,074	-
Foreign exchange loss	346,883	-
Changes in non-cash working capital items:		
Increase in receivables	(83,586)	(116)
(Increase) decrease in prepaid expenses	(137,354)	21,470
Increase in accounts payable and accrued liabilities	16,007	11,244
Net cash used in operating activities	(3,085,862)	(1,264,568)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(303,071)	(315,779)
Acquisition of exploration and evaluation assets	(3,683,498)	(1,330,906)
Proceeds from the sale of marketable securities, net	3,063	-
Increase in deposits	(5,472)	-
Net cash used in investing activities	(3,988,978)	(1,646,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from AIM listing	14,244,206	-
Proceeds from private placement financing	-	1,177,500
Proceeds from fundraising received in advance of share issue	-	189,902
Proceeds from option and warrant exercises	1,135,500	1,134,500
Share issue costs	(1,162,613)	(49,427)
Increase in deferred financing fees	-	(344,211)
Conversion of royalty option costs	(226,290)	(49,174)
Lease payments	(27,760)	(88,338)
Net cash provided by financing activities	13,963,043	1,970,752
Impact of foreign exchange on cash	(319,100)	(11,151)

Change in cash during the year	6,569,103	(951,652)
Cash, beginning of the year	353,601	1,305,253
Cash, end of the year	$ 6,922,704	$ 353,601
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED JANUARY 31

(Expressed in Canadian dollars)

	Number of shares	Capital stock	Share subscriptions received in advance	Capital contribution	Share-based payment reserve	Foreign currency translation reserve
Balance at January 31, 2020	86,768,585	$ 37,271,686	$ 1,175,000	$ 2,007,665	$ 732,930	$ 149,996
Foreign currency translation	-	-	-	-	-	89,032
Share issuance pursuant to private placement financing	47,050,000	2,352,500	(1,175,000)	-	-	-
Share issue costs	-	(21,621)	-	-	-	-
Commitment to issue shares pursuant to fundraising	-	-	189,902	-	-	-
Warrant exercises	16,100,000	1,134,500	-	-	-	-
Forfeiture and expiry of stock options and warrants	-	-	-	-	(190,922)	-
Share-based compensation	-	-	-	-	304,204	-
Loss for the year	-	-	-	-	-	-
Balance at January 31, 2021	**149,918,585**	**40,737,065**	**189,902**	**2,007,665**	**846,212**	**239,028**
Foreign currency translation	-	-	-	-	-	(413,151)
Share issuance pursuant to AIM listing	117,226,572	14,434,108	(189,902)	-	-	-
Shares issued pursuant to property option agreement	7,000,000	1,750,000	-	-	-	-

Share issue costs	-	(1,506,824)	-	-	-	-
Warrant exercises	9,125,000	725,750	-	-	-	-
Option exercises	2,580,000	706,251	-	-	(296,501)	-
Share-based compensation	-	-	-	-	80,554	-
Loss for the year	-	-	-	-	-	-
Balance at January 31, 2022	**285,850,157**	**$ 56,846,350**	**$ -**	**$ 2,007,665**	**$ 630,265**	**$ (174,123)**

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