

# Cornish Metals Releases Unaudited Financial Statements and Management's Discussion and Analysis for the Nine Months Ended 30 September 2024

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VANCOUVER, Nov. 21, 2024 - [Cornish Metals Inc.](#) (TSX-V/AIM: CUSN) ("Cornish Metals" or the "Company"), a mineral exploration and development company focused on its 100% owned and permitted South Crofty tin project in Cornwall, United Kingdom, is pleased to announce that it has released its unaudited financial statements and management, discussion and analysis ("MD&A") for the nine months ended September 30, 2024. The reports are available under the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and on the Company's website ([www.cornishmetals.com](http://www.cornishmetals.com)).

Highlights for the nine months ended September 30, 2024 and for the period ending November 20, 2024

*(All figures expressed in Canadian dollars unless otherwise stated)*

- Appointment of Don Turvey as Chief Executive Officer ("CEO") (news release dated August 11, 2024):
  - Mr. Turvey appointed as CEO and an executive director of the Company effective October 9, 2024, and who has since relocated to Cornwall where he is based;
  - Mr. Turvey is an experienced mining executive with more than 40 years of experience, including successfully securing funding and advancing new projects and historic mines through to production;
  - Upon Mr. Turvey's appointment, Ken Armstrong returned to the position of non-executive director and continues as Chair of the Company's Audit Committee;
  - Patrick Anderson returned to the position of non-executive Chair of the Board of Directors of the Company effective September 30, 2024.
- US\$9.1 million (equivalent to £7.0 million) credit facility arranged with Vision Blue Resources Limited ("Vision Blue") on October 15, 2024 (news release dated October 15, 2024):
  - Non-dilutive secured credit facility to support the continued development of South Crofty;
  - Proceeds of the credit facility are expected to be used for the Company's general operating and corporate purposes.
- Appointment of Endeavour Financial ("Endeavour") as the Company's financial adviser on October 9, 2024 (news release dated October 9, 2024):
  - Endeavour appointed as financial adviser to secure project financing for the construction of South Crofty and advise the Company on funding options on the basis of the completed PEA and ongoing engineering studies;
  - Various sources of funding will be assessed to deliver an optimal project financing solution in the second half of 2025.
- South Crofty Preliminary Economic Assessment ("PEA") completed, validating the Project's economic viability (news release dated April 30, 2024):
  - After-tax Net Present Value ("NPV") of US\$201 million and Internal Rate of Return ("IRR") of 29.8%;
  - Average annual tin production of over 4,700 tonnes for years two through six, totalling 49,310 tonnes over a 14-year Life of Mine ("LOM");
  - Total after-tax cash flow of approximately US\$626 million from start of production.
- Near-mine Exploration Target at South Crofty (news release dated November 13, 2024):
  - Exploration Target points to potential additional mineralisation upside of 6Mt to 13Mt, at a tin grade of 0.5% to 1.8%, above the current South Crofty Mineral Resource in the Lower Mine area;
  - Potential to define additional mineralisation, which could expand the current Mineral Resource at the project.

- Commencement of second phase of refurbishment of New Cook's Kitchen ("NCK") shaft (news release dated July 10, 2024):
  - Installation of the Phase 2 work platform, enabling faster replacement of old shaft timbers with new steel guides;
  - Winders and cages installed, fully commissioned and in operation, and certified to allow for safe transport of equipment and workers within NCK shaft;
  - Rephasing shaft refurbishment improves the functionality of NCK shaft and enables larger equipment to access the mine at an earlier stage in its re-development;
  - Shaft refurbishment is progressing and now forecast to be completed in Q4-2025 alongside mine dewatering to the 400-fathom level, with no expected impact to the overall project schedule.
- Mine dewatering continues with the submersible pumps and Water Treatment Plant ("WTP") operating to specifications (news release dated July 10, 2024):
  - Water level in NCK shaft being maintained at approximately 280 meters below surface with the rate of dewatering being reduced to allow shaft refurbishment and dewatering to proceed concurrently;
  - Treated water being discharged to the Red River continues to meet the standards permitted by the Environment Agency.
- Final drilling results from Wide Formation exploration program (news release dated August 18, 2024):
  - The completed 14-hole / 9,000-meter drilling program successfully tested the geometry and continuity of tin mineralization within a 2,500 meter by 800 meter extent of the Wide Formation;
  - Drilling also intersected tin mineralization associated with the Great Flat Lode and the Great Flat Lode Splay, as well as the interpreted eastern extension of the Great Condurrow Mine's Main Lode, and several strongly mineralized steeply dipping zones.
- Purchase of land totalling 7.7 acres located immediately adjacent to South Crofty surface infrastructure (news release dated May 21, 2024):
  - The purchased land removes reliance on existing right-of-passage agreements, providing the Company with direct access to all surface infrastructure as well as additional space for future site works, opportunities for potential operating cost savings, renewable energy initiatives and improved overall property security.
- Sale of Mactung and Cantung royalties for US\$4.5 million in cash consideration (news release dated July 21, 2024):
  - Completion of disposal of Company's royalty interests on the Mactung and Cantung tungsten projects located in Northern Canada to [Elemental Altus Royalties Corp.](#) ("Elemental Altus");
  - Initial cash consideration of US\$3.0 million received on August 1, 2024, with the balance of US\$1.5 million due by August 1, 2025.
- Sale of Nickel King property announced for a total consideration of up to \$8.0 million (news release dated June 16, 2024):
  - Entered into a binding letter of intent with Northera Resources Ltd. ("Northera") for the sale of the Company's 100% interest in the Nickel King Property for a total consideration of up to \$8 million;
  - Initial cash consideration of \$250,000 received to date.
- Samantha Hoe-Richardson joined the Board as independent non-executive director effective January 8, 2024 (news release dated January 8, 2024).
- As at November 19, 2024 the Company's cash position was \$12.5 million (equivalent to £7.1 million).

Don Turvey, CEO and Director of Cornish Metals, stated: "I am pleased to have joined Cornish Metals and will be working closely with the management and project teams to take South Crofty to production, to bring responsible tin mining back to Cornwall and to generate value by unlocking the project's potential as a long-term supplier of tin needed for electrical applications in the UK and Europe. Activity levels on-site are high as the NCK shaft refurbishment and mine dewatering progress, further derisking the project. We have also commenced the project finance process to secure the optimal funding solution for the construction of South Crofty."

Financial highlights for the nine months ended September 30, 2024 and October 31, 2023

	<i>Nine months ended (unaudited)</i>	
	<i>September 30, 2024 October 31, 2023</i>	
<i>(Expressed in Canadian dollars)</i>		
Total operating expenses	6,495,774	3,281,200
Profit (loss) for the period	482,935	(1,571,831 )
Net cash used in operating activities	4,024,494	1,761,034
Net cash used in investing activities	19,339,613	23,335,112
Net cash used in financing activities	228,966	723

Cash at end of the period	3,301,452	31,579,386
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- Increase in operating expenses impacted by higher travel and marketing expenditure arising from increased investor & media engagement and termination settlement payable to the former CEO;
- Gain of \$4.7 million arising from the sale of the Mactung and Cantung royalties, of which US\$1.5 million is deferred consideration due by August 2025;
- Expenditure of \$2.2 million on new or replacement equipment for the mine, including the final payments for the permanent pumps for the underground pump station, cages and the new winders, and associated commissioning costs;
- Expenditure of \$2.8 million on land adjacent to the surface infrastructure at South Crofty;
- Dewatering costs of \$4.2 million for power, reagents, sludge disposal and maintenance of the WTP;
- Other project related expenditure of \$9.2 million relating to the advancement of South Crofty, primarily relating to the ongoing project engineering studies and NCK shaft re-access & refurbishment;
- Costs of \$1.6 million incurred for the completion of the exploration program at the Wide Formation; and
- Cash decreased by \$23.6 million to \$3.3 million at the period end mainly due to ongoing development activities at the South Crofty tin project.

The Company changed its financial year end from January 31 to December 31 with effect from December 31, 2023 with the result that the current period of reporting is the nine months ended September 30, 2024. The comparative period of reporting is the nine months ended October 31, 2023.

The credit facility arranged with Vision Blue, as described above, has a maturity date of 31 March 2025. As a consequence, additional financing will be required before the end of March 2025.

## Outlook

As described above, the Company continues to advance and derisk the South Crofty tin project towards production. By the end of December 2025, the Company's objectives are as follows:

- Complete dewatering of South Crofty mine and refurbishment of NCK shaft;
- Advance basic and detailed project engineering studies;
- Place deposits for long lead items of plant and equipment;
- Commence early project works, including initial construction of the groundworks for the processing plant; and
- Arrange project financing for the South Crofty tin project.

## ABOUT CORNISH METALS

Cornish Metals is a dual-listed mineral exploration and development company (AIM and TSX-V: CUSN) that is advancing the South Crofty tin project towards production. South Crofty:

- Is a historical, high-grade, underground tin mine located in Cornwall, United Kingdom and benefits from existing mine infrastructure including multiple shafts that can be used for future operations;
- Is fully permitted to commence underground mining (valid to 2071), construct new processing facilities and for all necessary site infrastructure;
- Has a 2024 Preliminary Economic Assessment that validates the Project's potential (see news release dated April 30, 2024 and the Technical Report entitled "South Crofty PEA"):
  - US\$201 million after-tax NPV<sub>8%</sub> and 29.8% IRR
  - 3-year after-tax payback
  - 4,700 tonnes average annual tin production in years two through six
  - Life of mine all-in sustaining cost of US\$13,660 /tonne of payable tin
  - Total after-tax cash flow of US\$626 million from start of production
- Would be the only primary producer of tin in Europe or North America. Tin is a Critical Mineral as defined by the UK, American, and Canadian governments as it is used in almost all electronic devices and electrical infrastructure. Approximately two-thirds of the tin mined today comes from China, Myanmar and Indonesia;
- Benefits from strong local community, regional and national government support with a growing team of skilled people, local to Cornwall, and could generate up to 320 direct jobs.

The 2024 Preliminary Economic Assessment for South Crofty is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. There is no certainty that the 2024 Preliminary Economic Assessment will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

## TECHNICAL INFORMATION

This news release has been reviewed and approved by Mr. Owen Mihalop, MCSM, BSc (Hons), MSc, FGS, MIMMM, CEng, Chief Operating Officer for Cornish Metals Inc. who is the designated Qualified Person under NI 43-101 and the AIM Rules for Companies and a Competent Person as defined under the JORC Code (2012). 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.

## ON BEHALF OF THE BOARD OF DIRECTORS

"Don Turvey"  
Don Turvey

Engage with us directly at our investor hub. Sign up at: <https://investors.cornishmetals.com/link/0y5Aly>.

For additional information please contact:

Cornish Metals	Fawzi Hanano Irene Dorsman	investors@cornishmetals.com info@cornishmetals.com Tel: +1 (604) 200 6664
SP Angel Corporate Finance LLP (Nominated Adviser & Joint Broker)	Richard Morrison Charlie Bouverat Grant Barker	Tel: +44 203 470 0470
Cavendish Capital Markets Limited (Joint Broker)	Derrick Lee Neil McDonald	Tel: +44 131 220 6939
Hannam & Partners (Financial Adviser)	Matthew Hasson Andrew Chubb Jay Ashfield	cornish@hannam.partners Tel: +44 207 907 8500
BlytheRay (Financial PR)	Tim Blythe Megan Ray	cornishmetals@blytheray.com Tel: +44 207 138 3204

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### *Caution regarding forward looking statements*

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements"). Forward-looking statements include predictions, projections, outlook, guidance, estimates and forecasts and other statements regarding future plans and operations, 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 and the Company's ability to obtain financing when required and on terms acceptable to the Company, future or estimated mine life and other activities or achievements of Cornish Metals, including but not limited to: the expected use of proceeds from the secured credit facility with Vision Blue; the balance of the cash consideration due to Cornish in respect of the sale of the Mactung and Cantung royalty interests; mineralisation at South Crofty, mine dewatering and construction requirements; the development, operational and economic results of the preliminary economic assessment, including cash flows, capital expenditures, development costs, extraction rates, recovery rates, mining cost estimates and returns; estimation of mineral resources; statements about the estimate of mineral resources and production of minerals; magnitude or quality of mineral deposits; anticipated advancement of the South Crofty project mine plan; exploration*

*potential and project growth opportunities for the South Crofty tin project and other Cornwall mineral properties, the Company's ability to evaluate and develop the South Crofty tin project and other Cornwall mineral properties, strategic vision of Cornish Metals and expectations regarding the South Crofty mine, timing and results of projects mentioned. 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; outcome of any future studies; 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.*

#### *Caution regarding non-IFRS measures*

*This news release contains certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS"), including "all-in sustaining costs". Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS and should be read in conjunction with Cornish Metals' consolidated financial statements and Management Discussion and Analysis, available on its website and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

#### *Market Abuse Regulation (MAR) Disclosure*

*The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.*

### CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)  
(Expressed in Canadian dollars)

September 30,  
2024

December 31,  
2023

ASSETS

Current		
Cash	\$ 3,301,452	\$ 25,791,552
Marketable securities	2,927,438	2,665,454
Receivables	2,508,031	1,112,638
Prepaid expenses	439,722	591,264
Deferred financing fees	510,810	135,242
	9,687,453	30,296,150
Deposits	82,592	85,954
Property, plant and equipment	27,987,102	23,788,325
Exploration and evaluation assets	73,403,237	50,050,323
	\$ 111,160,384	\$ 104,220,752
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 4,254,516	\$ 5,063,940
Deferred income	150,000	-
	4,404,516	5,063,940
NSR liability	9,250,363	9,064,817
	13,654,879	14,128,757
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	128,394,652	128,394,652
Capital contribution	2,007,665	2,007,665
Share-based payment reserve	1,084,152	711,690
Foreign currency translation reserve	7,927,259	1,369,146
Deficit	(41,908,223 )	(42,391,158 )
	97,505,505	90,091,995
	\$ 111,160,384	\$ 104,220,752

## CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)  
(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	September 30, 2024	October 31, 2023	September 30, 2024	October 31, 2023
<b>EXPENSES</b>				
Travel and marketing	\$ 216,556	\$ 242,737	\$ 664,044	\$ 488,797
Insurance	197,445	164,843	596,952	511,899
Office, miscellaneous and rent	48,515	40,883	166,722	148,925
Professional fees	523,478	257,854	332,245	794,167
Generative exploration expense	125	200	5,829	5,433
Regulatory and filing fees	26,358	17,749	78,019	73,171
Share-based compensation	93,098	104,582	223,897	130,136
Salaries, directors' fees and benefits	828,406	410,793	3,428,066	1,128,677
Total operating expenses	(1,933,981 )	(1,239,618 )	(4,955,774 )	(3,281,200 )
Interest income	61,950	649,403	370,504	1,456,693
Foreign exchange gain	350,703	13,101	322,663	394,980
Gain (loss) on receipt of non-refundable deposit	(6,328 )	-	84,968	-
Impairment reversal of royalties	1,500,000	-	1,500,000	-

Gain on disposal of royalties	4,675,904	-	4,675,904	-
Unrealized loss on marketable securities	(39,056 )	(112,276 )	75,330 )	(147,296 )
Profit (loss) before income taxes	4,609,192	(689,421 )	82,935	(1,576,811 )
Income tax recovery	-	4,988	-	4,988
Profit (loss) for the period	4,609,192	(684,433 )	82,935	(1,571,823 )
Foreign currency translation	4,166,641	(1,010,605 )	58,113	1,619,069
Total comprehensive income (loss) for the period	\$ 8,775,833	\$ (1,699,934 )	1,048	\$ 47,234
Basic and diluted income (loss) per share	\$ 0.02	\$ (0.00)	\$ 0.01	\$ 0.00
Weighted average number of common shares outstanding:	535,270,712	535,276,351	535,270,712	535,268,811

## CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)  
(Expressed in Canadian dollars)

	For the nine months ended	
	September 30, 2024	October 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) for the period	\$ 482,935	\$ (1,571,831 )
Items not involving cash:		
Share-based compensation	223,897	130,136
Unrealized loss on marketable securities	75,330	147,296
Gain on receipt of non-refundable deposit	(84,968 )	-
Impairment reversal of royalties	(1,500,000 )	-
Gain on disposal of royalties	(4,675,904 )	-
Foreign exchange loss	(322,663 )	(394,980 )
Income tax recovery	-	(4,988 )
Income taxes paid	-	(11,012 )
Changes in non-cash working capital items:		
Decrease (increase) in receivables	530,148	(348,196 )
Decrease in prepaid expenses	165,929	105,201
Increase in accounts payable and accrued liabilities	1,080,802	187,340
Net cash used in operating activities	(4,024,494 )	(1,761,034 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(6,446,743 )	(11,817,289 )
Acquisition of exploration and evaluation assets	(17,224,234 )	(11,489,073 )
Proceeds on receipt of non-refundable deposits	234,968	-
Proceeds from disposal of royalties	4,099,004	-
Increase in deposits	(2,608 )	(28,750 )
Net cash used in investing activities	(19,339,613 )	(23,335,112 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in deferred financing fees	(228,966 )	-
Lease payments	-	(723 )
Net cash used in financing activities	(228,966 )	(723 )
Change in cash during the period	(23,593,073 )	(25,096,869 )
Cash, beginning of the period	25,791,552	55,495,232
Impact of foreign exchange on cash	1,102,973	1,181,023

Cash, end of the period	\$ 3,301,452	\$ 31,579,386
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ 11,012

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(Unaudited)  
(Expressed in Canadian dollars)

	Capital stock		Share	Capital	Share-based	Foreign	De
	Number of	Amount	subscriptions		payment	currency	
	shares		received in	contribution	reserve	translation	
Balance at January 31, 2023	535,020,712	\$ 128,377,152	\$ 17,500	\$ 2,007,665	\$ 384,758	\$ (648,962)	) \$ (
Warrant exercises	250,000	17,500	(17,500)	-	-	-	-
Foreign currency translation	-	-	-	-	-	1,619,065	-
Share-based compensation	-	-	-	-	207,514	-	-
Loss for the period	-	-	-	-	-	-	(
Balance at October 31, 2023	535,270,712	\$ 128,394,652	\$ -	\$ 2,007,665	\$ 592,272	\$ 970,103	\$ (
Balance at December 31, 2023	535,270,712	\$ 128,394,652	\$ -	\$ 2,007,665	\$ 711,690	\$ 1,369,146	\$ (
Foreign currency translation	-	-	-	-	-	6,558,113	-
Share-based compensation	-	-	-	-	372,462	-	-
Profit for the period	-	-	-	-	-	-	4
Balance at September 30, 2024	535,270,712	\$ 128,394,652	\$ -	\$ 2,007,665	\$ 1,084,152	\$ 7,927,259	\$ (

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