Cornwall RESOURCES

Redmoor Tin-Tungsten Project, Cornwall

Community update

May 2018

Cornwall Resources Limited Joint Venture

In 2016, AIM-listed Strategic Minerals plc. (SML) entered into a joint venture with NAE to take a 50% stake in the Redmoor project by funding the 2017 drilling at Redmoor. The name of the 50:50 joint venture company is Cornwall Resources Ltd. (CRL).

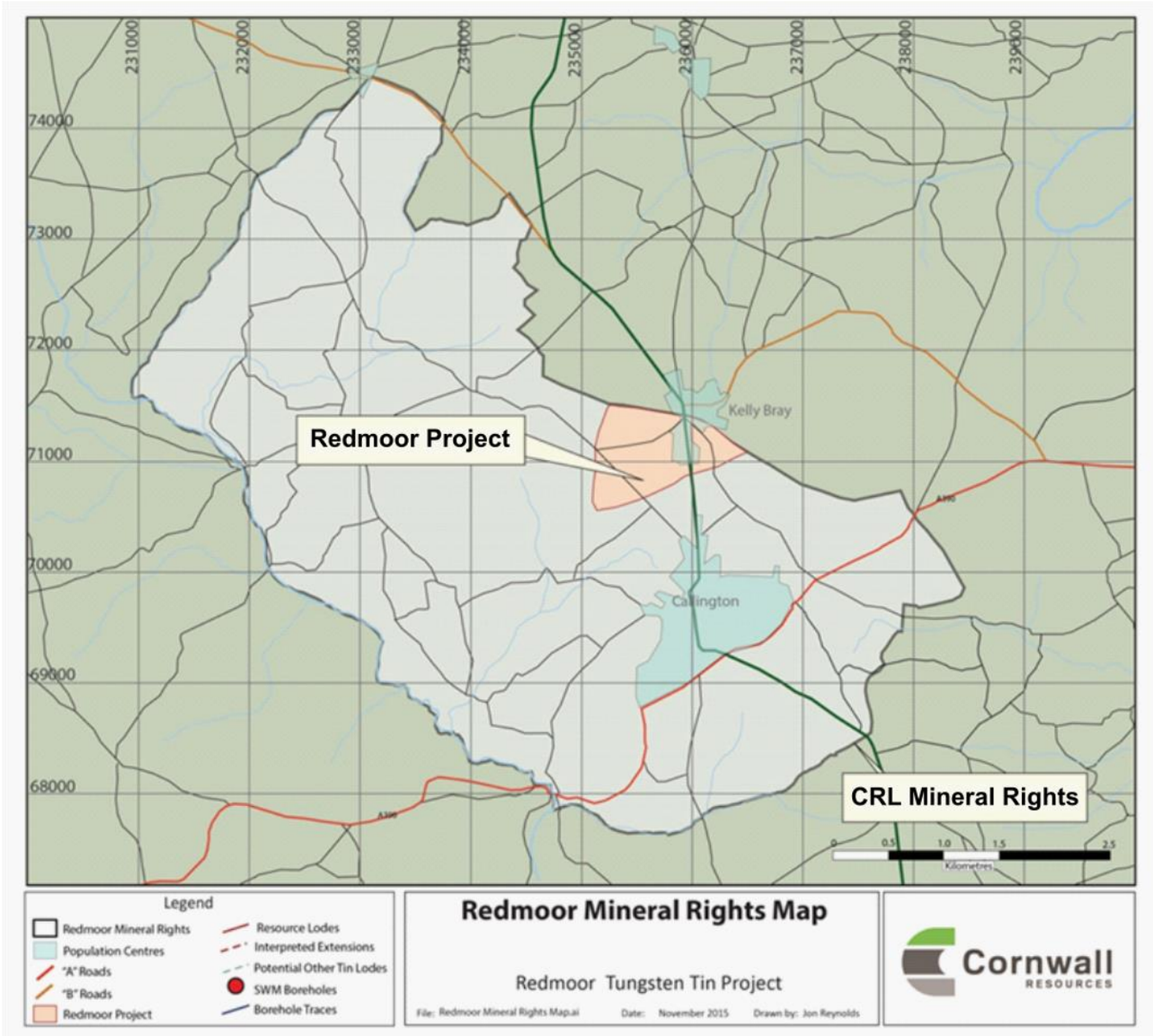
Redmoor 2015 High Grade Resource

Data from 35 holes drilled during 1980-4 by Southwest Minerals Ltd (SWM) formed the basis for the 2015 Inferred Mineral Resource Estimate defined by NAE's technical consultants (SRK); total Inferred Resource of 13.3 Mt @ 0.56% tin equivalent, including a high-grade resource of 2.3 Mt at @ 1.19% tin equivalent.

Redmoor 2017 Drilling and High Grade Resource

Between March and October 2017, some 7,046 m of core was drilled by a contractor for Cornwall Resources. Following geological logging and analysis, the data were modelled, producing an updated resource of 4.5 Mt @ 1.0% tin equivalent, nearly double the 2015 high-grade resource. The model resulting from the 2017 work shows potential for further continuity of mineralisation beyond the material drilled so far.

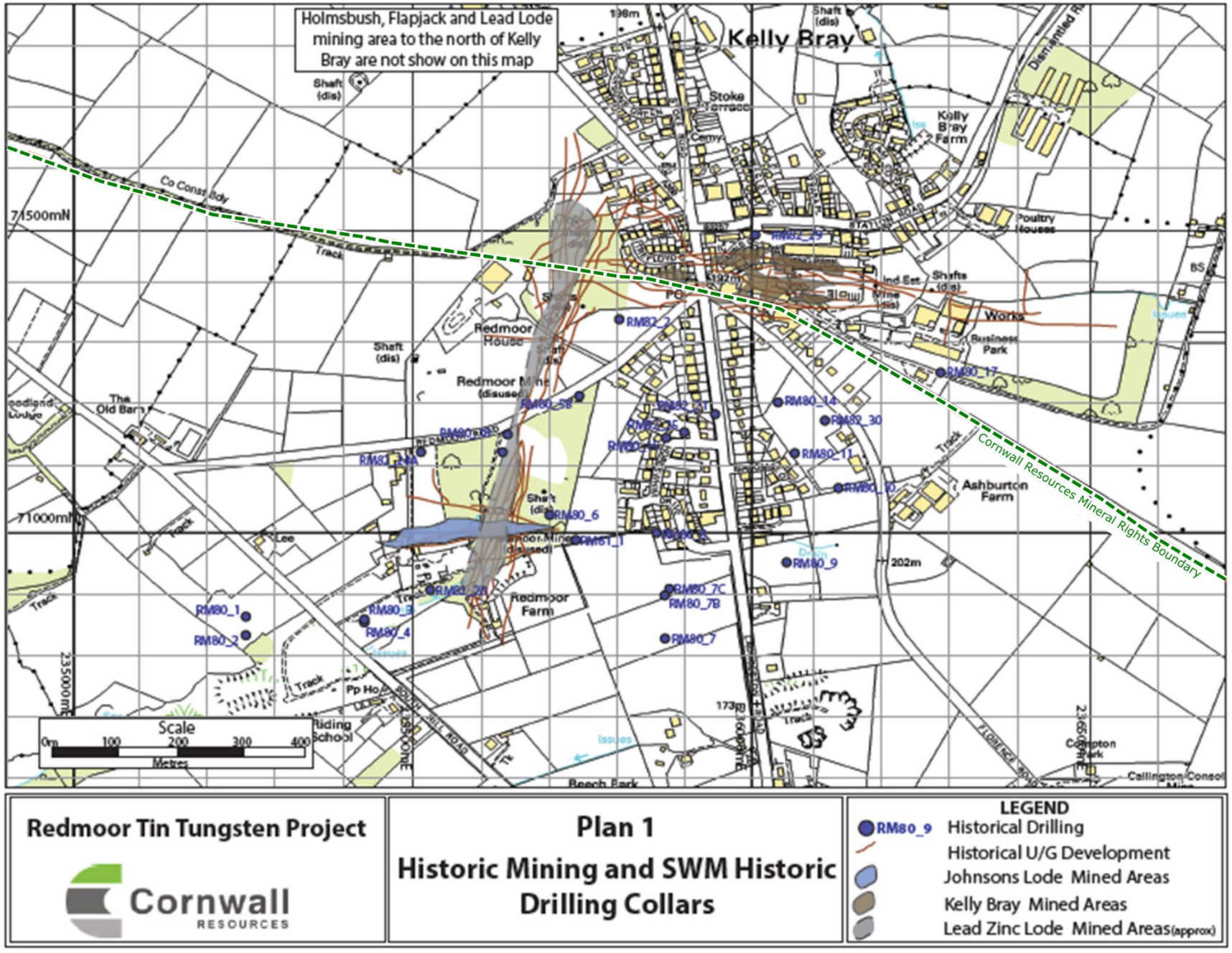
Redmoor Mineral Rights Area



- **License - Cornwall Resources control the mineral rights in the Redmoor area through an exploration license with the mineral rights owner.**
- **Area - The total area of the exploration licence is 23 km^2.**
- **Access - The holder of mineral rights is legally allowed access to surface land for drilling, but must compensate the land owner for any loss of income and reinstate the land after drilling is completed.**

Historic Mining and 1980s Drilling

Plan 1 shows documented historical mining in the Kelly Bray area within Cornwall Resources' mineral rights.



Historic Mining in Kelly Bray and Callington *(1 of 2)*

- **History - There has been significant mining in the Callington-Kelly Bray area over the last 200 years. At one point, there were over 40 mines in operation.**

- **Previous Operations - The Redmoor Mine itself was worked from the 1700s through to 1943.**

- **Minerals Mined - Historic miners targeted thin high-grade lodes, principally for copper, tin, and mispickel (arsenopyrite), and on additional lodes, for lead and silver.**

- **Previous Intense Mining - this would have been a major industrial landscape.**

- **Level of Operations - Production figures for the Redmoor area alone show production of 574 tonnes of tin, 852 tonnes of copper, and additional tungsten, silver, and lead.**

Historic Mining in Kelly Bray and Callington *(2 of 2)*

- **Transport - There was a railway station in Kelly Bray, now the site of Beeching Park, which was used for export of minerals and import of materials.**

- **Local Colour - The Swingletree pub was known as the Railway Inn.**

- **Areas Worked - There are 3 lodes which are known to have been worked in the past:**

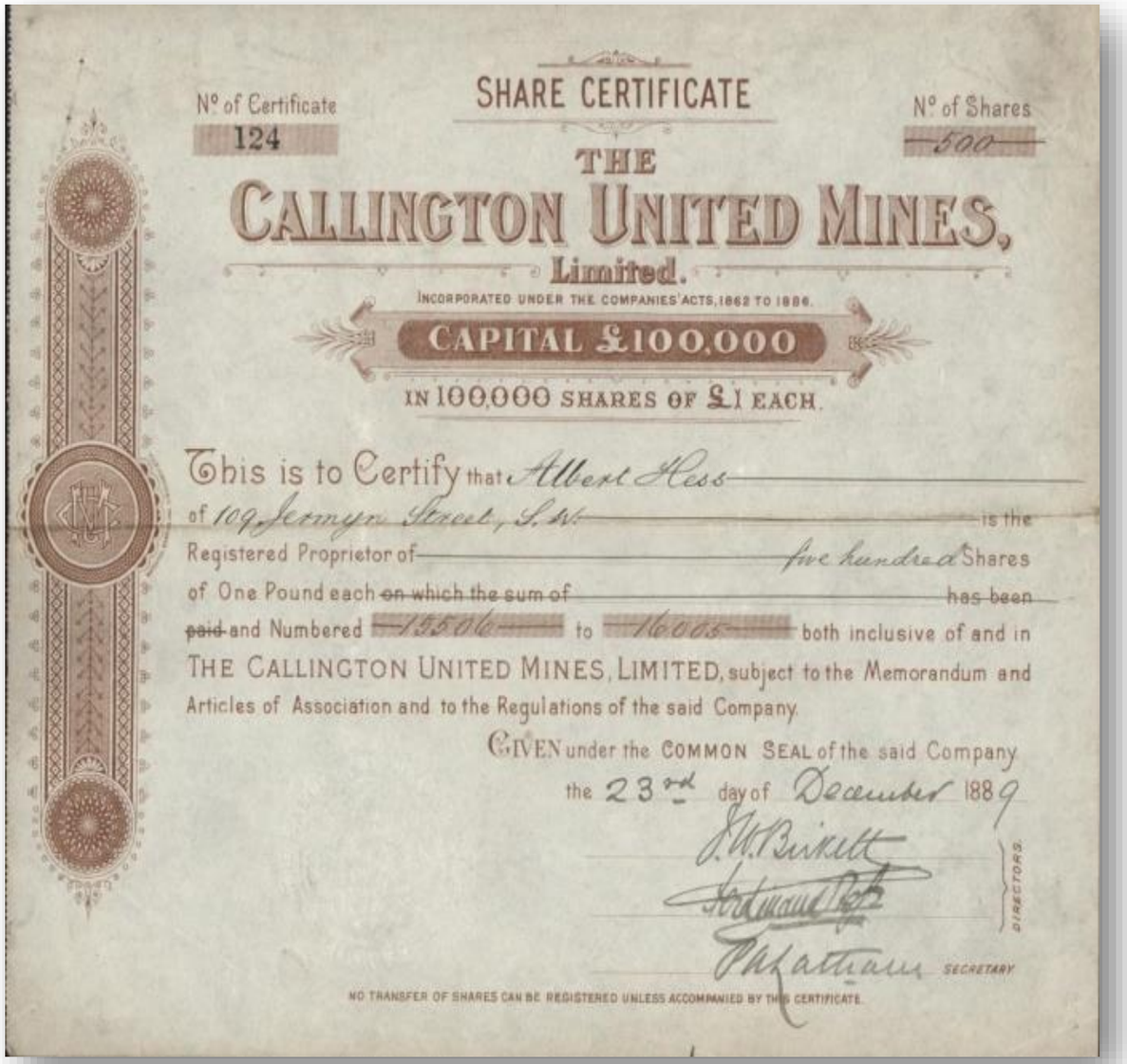
  - Johnson's Lode

  - Kelly Bray Lode

  - Lead-Zinc-silver Lode

- **Intended Mining -The Sheeted Vein System (SVS), a broader zone of mineralisation, was not mined historically. The SVS has been the focus of CRL's exploration**.

Historic Mining in Kelly Bray and Callington



Nº of Certificate 124

SHARE CERTIFICATE

Nº of Shares 500

THE CALLINGTON UNITED MINES, Limited.

INCORPORATED UNDER THE COMPANIES' ACTS, 1862 TO 1886.

CAPITAL £100,000

IN 100,000 SHARES OF £1 EACH.

This is to Certify that Albert Hess of 109 Jermyn Street, S.W. is the Registered Proprietor of five hundred Shares of One Pound each ~~on which the sum of~~ ~~has been~~ ~~paid~~ and Numbered 15506 to 16005 both inclusive of and in THE CALLINGTON UNITED MINES, LIMITED, subject to the Memorandum and Articles of Association and to the Regulations of the said Company.

GIVEN under the COMMON SEAL of the said Company the 23rd day of December 1889

J. W. Birkett

Edward Pope

DIRECTORS

T. H. Cathcart SECRETARY

NO TRANSFER OF SHARES CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS CERTIFICATE.

Redmoor Mine Historic Share Certificate

Prince of Wales visiting Callington wolfram mines, Kit Hill, 1918

Historic Mining in Kelly Bray and Callington

Redmoor Mine when in operation, circa 1920s

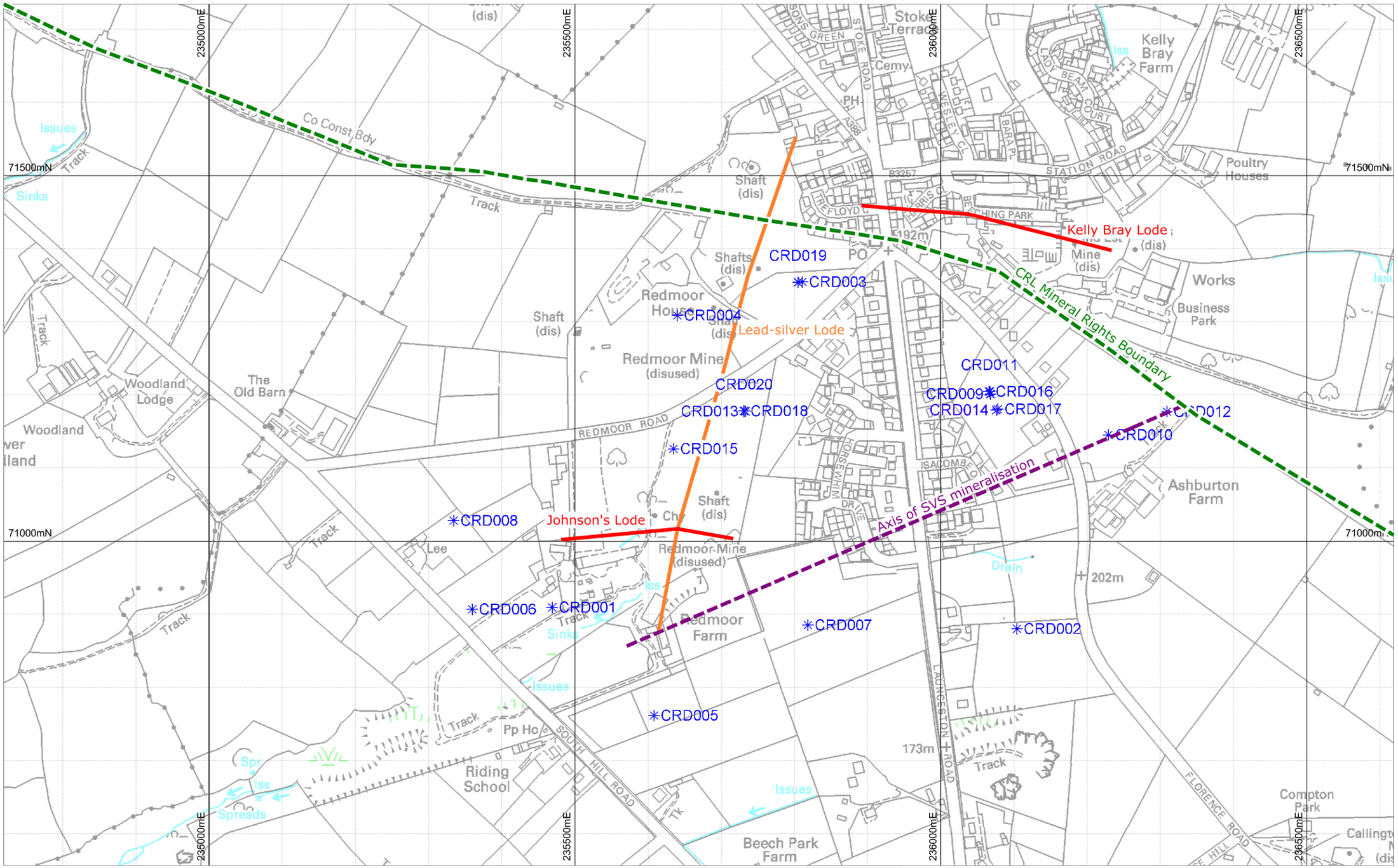
2017 Exploration Drilling Campaign

- **Our Drilling History - Drilling was initially directed to the three known lodes (see map) but after the first seven holes it was clear that even better tin and tungsten assay results were being obtained from within the nearby Sheeted Vein System (SVS).**

- **Drilling Adjusted - The second half of the 2017 drilling campaign was redirected to the High-Grade Zones within the SVS. See 'Results of 2017 Drilling campaign' 3D image.**

- **Future Drilling - Further exploration work on the 3 known lodes may be actioned in future drilling campaigns.**

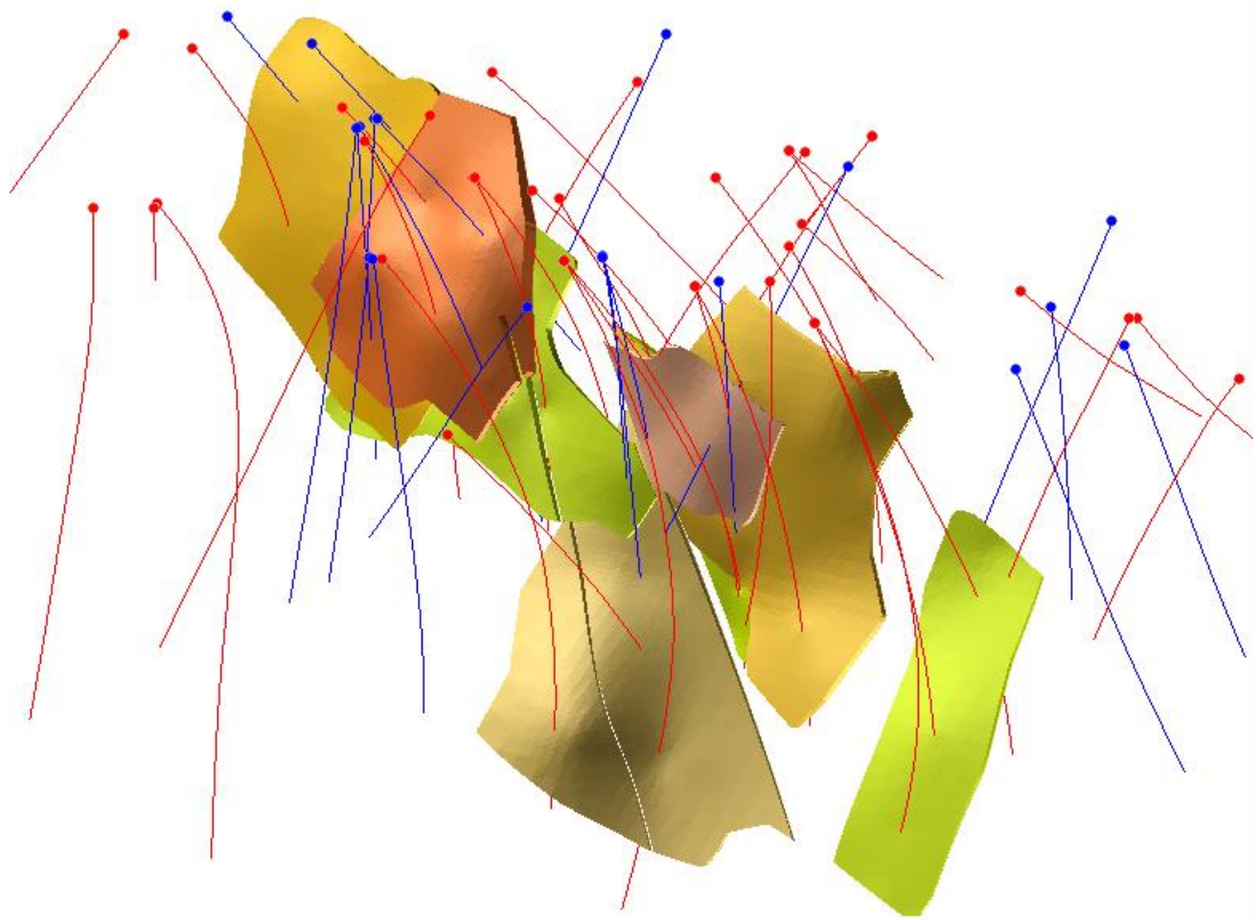
2017 Exploration Drilling Campaign Map



Cornwall RESOURCES	SVS and worked lodes shown at positions 200 m below surface.		Scale 1 : 5000 / Plot Date 01-May-2018 / Sheet 1 of 1 / Plot File: Vizex / 100 0 100m	**2017 Drilling Collar location plan**	Cornwall Resources Redmoor Project

Results of 2017 Drilling Campaign

- **Updated Resource Model - As a result of the 2017 drilling campaign, an updated resource model was produced (see 3D image below).**
- **Graphic of Drilling - The red lines mark the 1980s drilling, and the blue lines Cornwall Resources' 2017 drilling.**



Resource model 3D view, towards southeast, tilted downwards. Eight high grade zones shown in shades of orange and yellow. CRL 2017 drillholes in blue, SWM 1980s drillholes in red.

March 2018: New Resource Determined

- **Basis of Updated Resource - The 2017 drilling results were combined with the data from the 1980s and used to produce an updated resource estimate.**

- **Impact - This nearly doubled the previous high-grade resource, which CRL view very positively.**

Description	Tonnage (Mt)	WO_3 %	Sn %	Cu %	SnEq %
High Grade Zones (SVS)	**4.5**	0.37	0.25	0.57	**1.00**

Resource issued 20 March 2018. Produced by Dr M Armitage of SRK Consulting (UK).

No cut-off grades were applied in reporting the Mineral Resource as the grade of the High Grade Zones is consistently above the cut-off grade calculated.

Equivalent metal calculation notes; Sn(Eq)% = Sn%*1 + WO3%*1.43 + Cu%*0.40. Commodity price assumptions: WO3 US$ 33,000/t, Sn US$ 22,000/t, Cu US$ 7,000/t. Recovery assumptions: total WO3 recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 81%, 90% and 90% respectively.

High Grade Zones in the Sheeted Vein System (SVS)

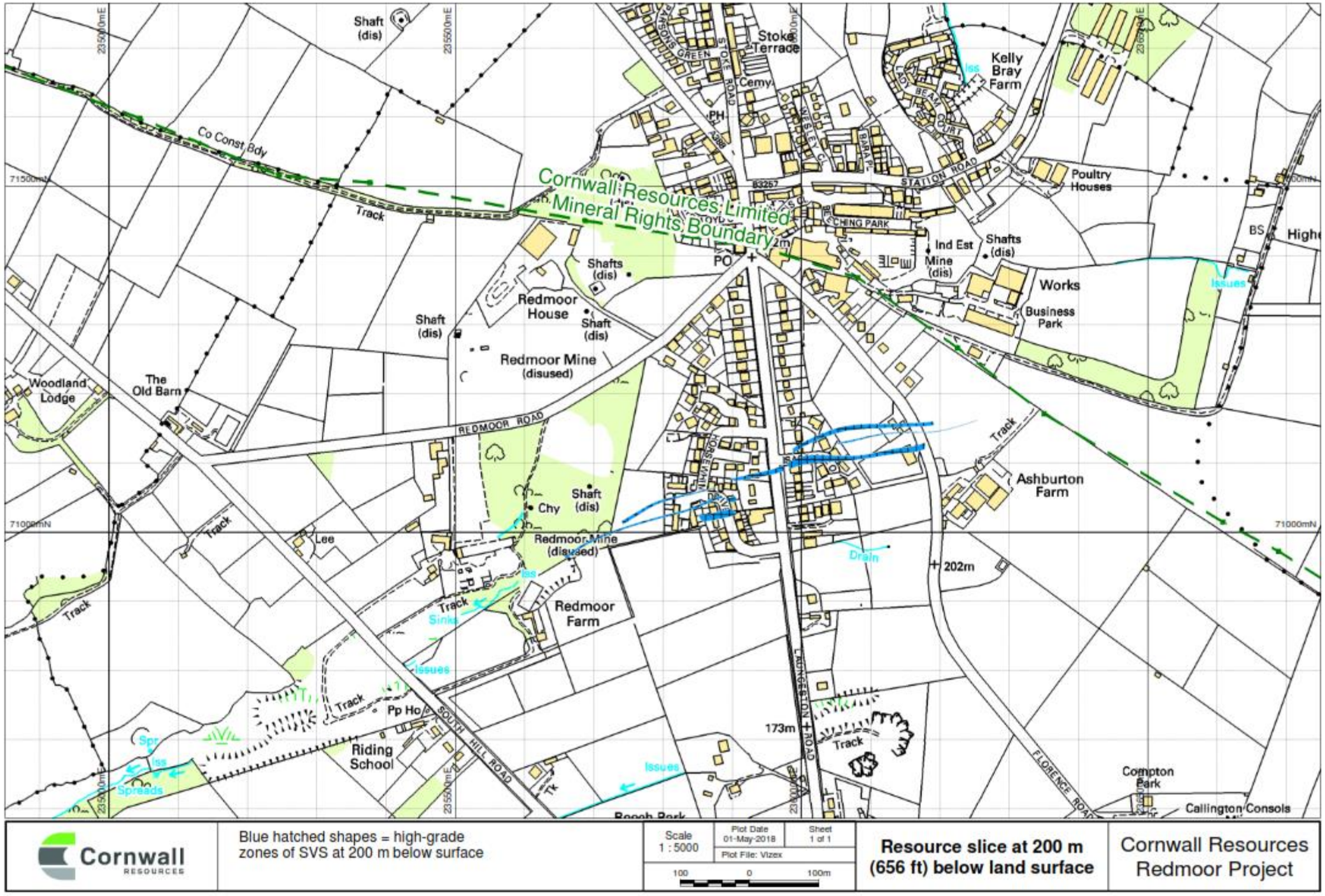
- **Slope - The SVS is an east-west structure dipping northwards at approximately 70 degrees.**

- **Thickness - The SVS is approximately 70 metres thick, with discrete high-grade zones contained within it.**

- **High Grade Zones - The high-grade zones average approximately 6 metres wide and together contain 4.5 million tonnes of metal ore. They contain a mixture of tin, tungsten and copper and average 1% tin equivalent.**

- **Map - The map on the following slide shows the position of these high-grade zones at 200 m below surface.**

High Grade Zones in the Sheeted Vein System (SVS)



Cornwall RESOURCES

Blue hatched shapes = high-grade zones of SVS at 200 m below surface

Scale 1 : 5000	Plot Date 01-May-2018	Sheet 1 of 1
	Plot File: Vizex	

100 0 100m

Resource slice at 200 m (656 ft) below land surface

Cornwall Resources Redmoor Project

Key Points for Sections

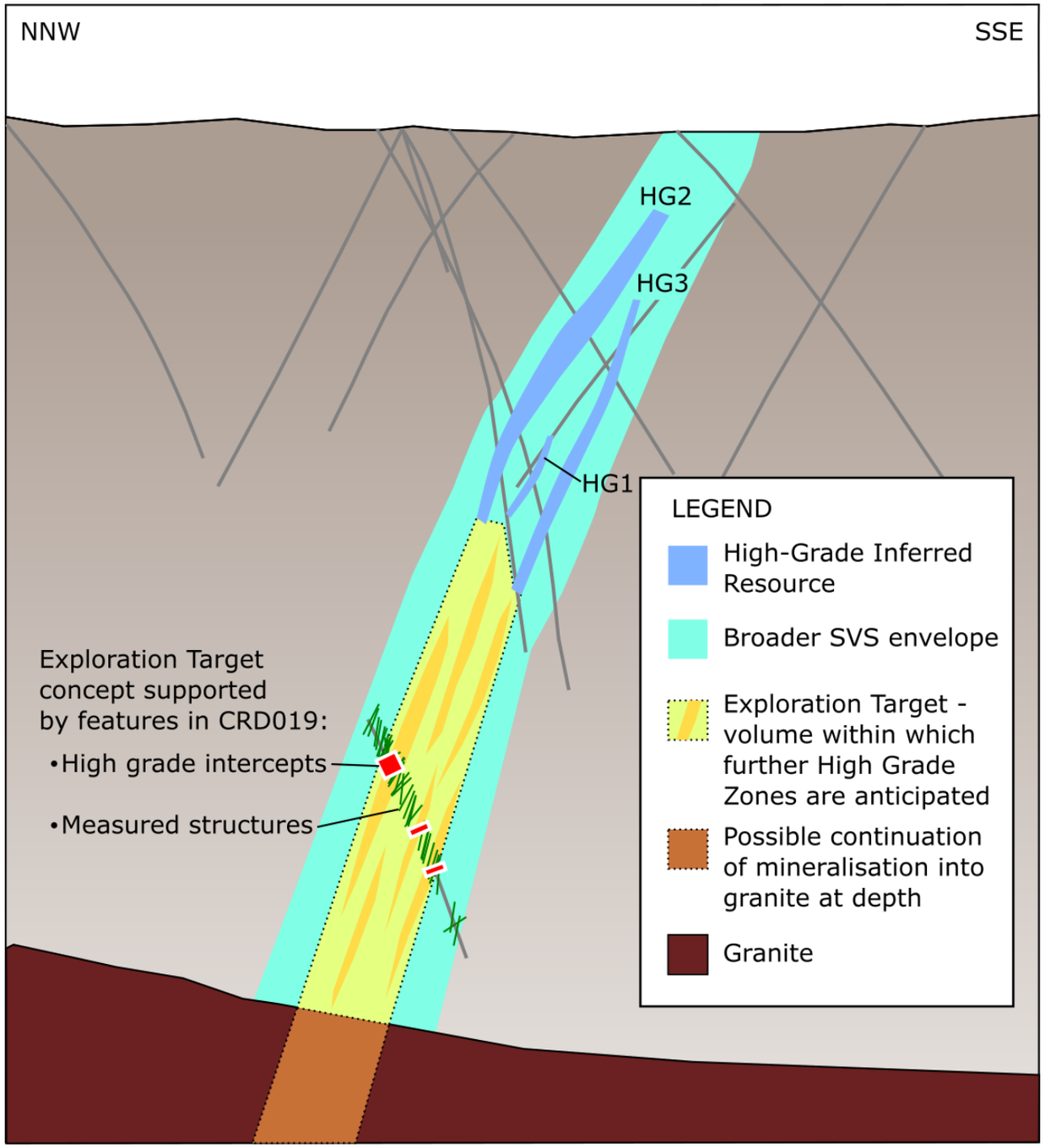
Cross section notes:

- **View is towards the east-northeast and shows some of the High-Grade Zones; HG1, HG2 and HG3 within the Sheeted Vein System.**
- **The exploration hole CRD019 is shown. This hole gave good results but was too far away from other holes to permit the High-Grade Zone model to be linked through to it. Further planned drilling has the potential to extend the resource at depth.**
- **The mineralisation is thought to originate from the granite and future drilling may determine if the mineralisation extends into the granite.**

Long section notes:

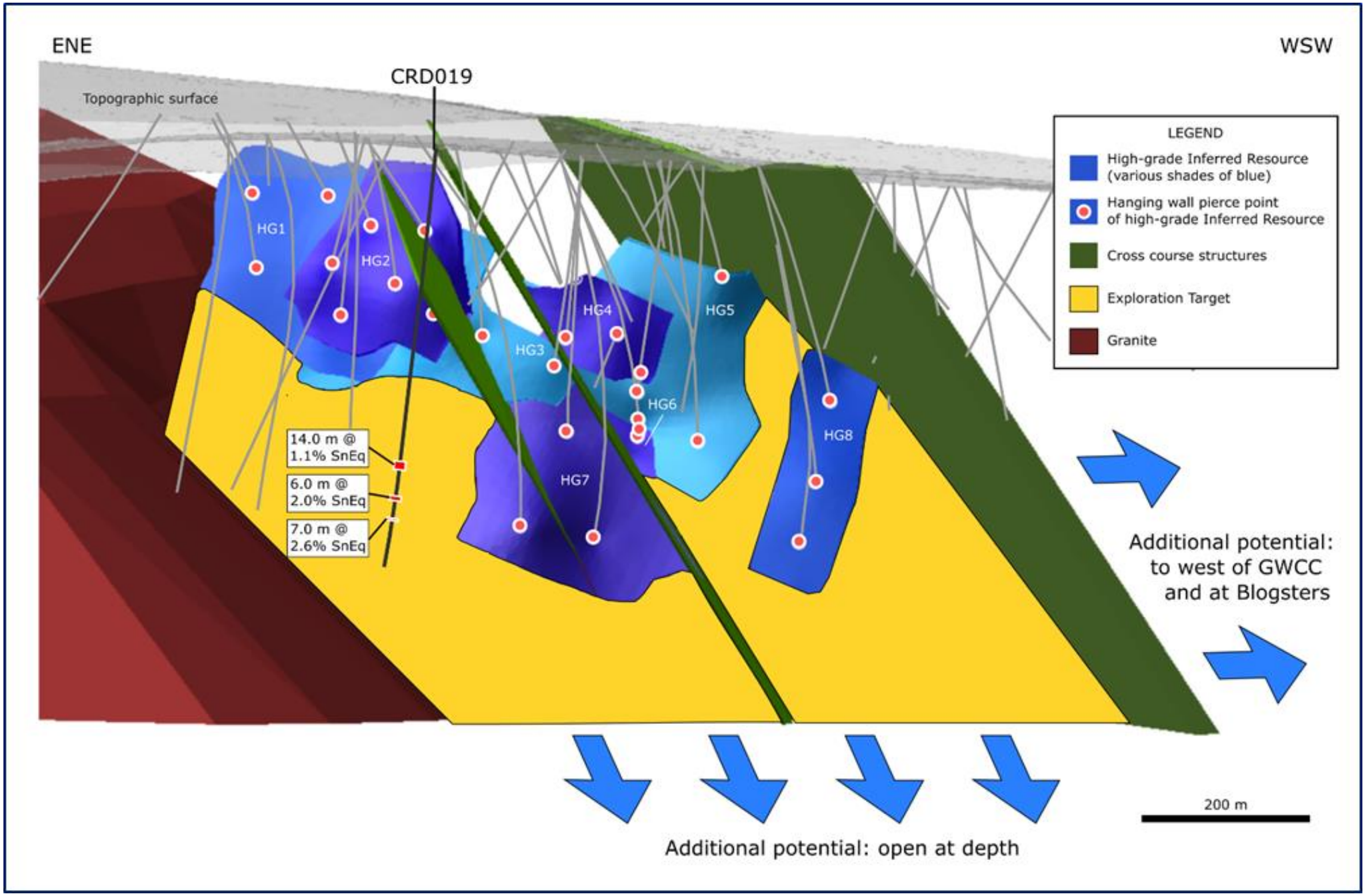
- **View is towards the south-southeast and shows the relatively thin high-grade zones in blue.**
- **The deep CRD019 hole is again shown from this direction.**
- **The yellow area shows a defined exploration target of 4-6 Mt at 0.9 – 1.3 % tin equivalent.**
- **The blue arrows show directions where additional exploration potential exists.**

Cross Section of Sheeted Vein System



Cross section showing High Grade Zones which constitute the High Grade Inferred Resource within the Sheeted Vein System, with the Exploration Target extending down towards the anticipated granite contact, and potential for the High Grade Zones to extend further at depth into the granite

Long Section of Redmoor Deposit



Long Section: 3D view towards south-southeast. High Grade Zones modelled as part of the Inferred Resource shown in blue, labelled HG1-8. Kit Hill granite dips under mineralisation in the east. GWCC = Great Western Cross Course. Exploration Targets shown in yellow (note – Exploration Target zones shown do not constitute a wire-framed target, but rather volumes of elevated potential for finding further high-grade material). Additional Exploration potential below and to the west of the Exploration Target indicated by blue arrows.

2018 Drilling Campaign *(1 of 2)*

- **Drilling Commencement - This year's drilling campaign is planned to commence in June 2018 subject to funding and to last for 6 months.**

- **Aim of Drilling - The aims of this year's drilling, at greater depths and along-strike, are to;**
  - **Increase Size of Resource - To increase the proven 4.5 million tonne Inferred Resource by a further 4-6 million tonnes. It is considered that, if successful, this could lead to potential economic viability.**
  - **Further Increase Confidence in the Resource - Closer-spaced infill holes will also be drilled to increase the level of confidence in the resource. The aim is to convert a significant proportion of the 'Inferred Resource' to 'Indicated Resource'.**
  - **Test Blogsters Prospect - CRL may also drill several holes close to the Blogsters prospect, which is 1 km west of the 2017 drilling. There are extensive old mine workings in this area, and assay results from 1980s drilling proved interesting. This may offer an extension to the Redmoor high-grade zones.**

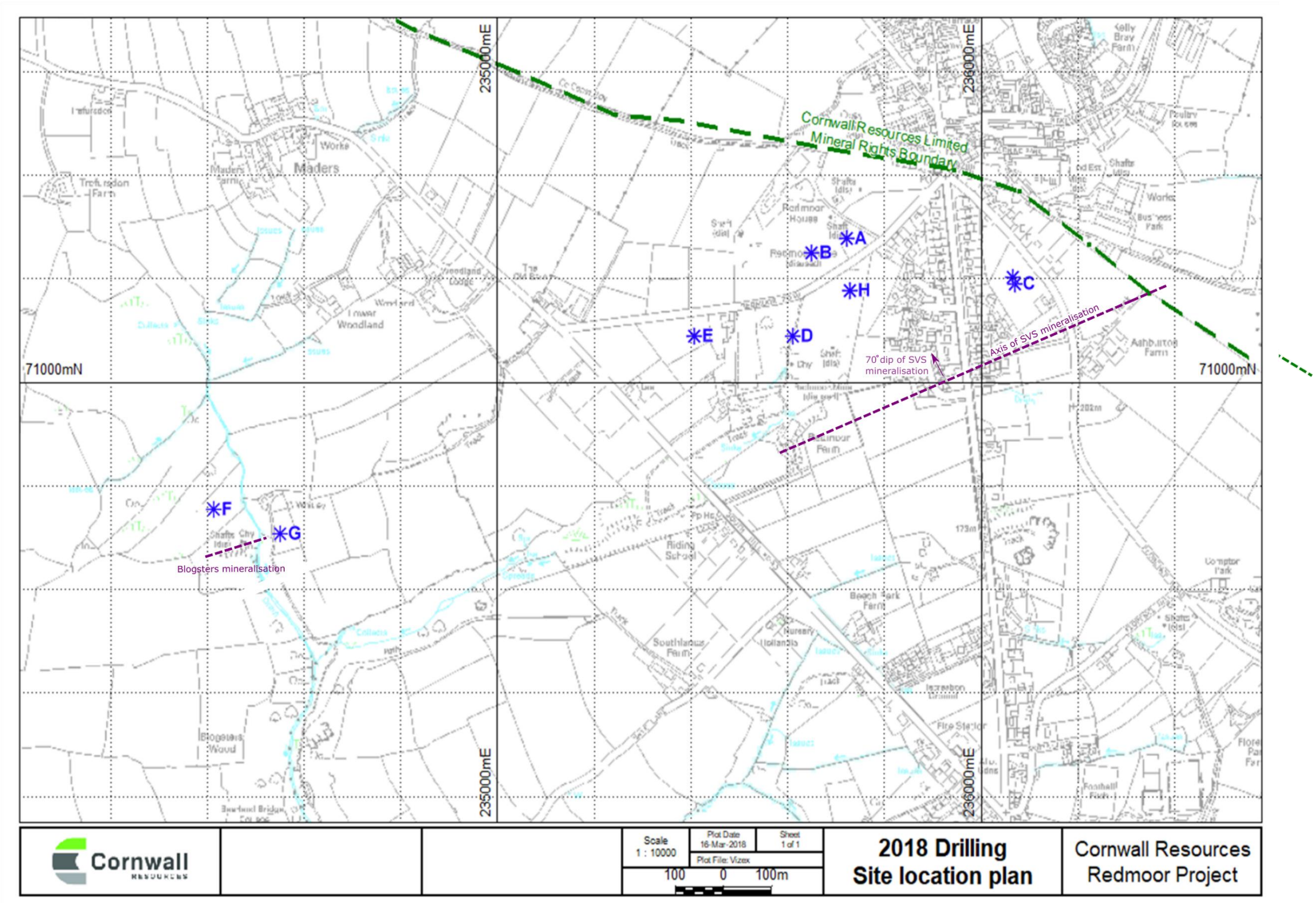
2018 Drilling Campaign *(2 of 2)*

- **2018 Drilling - In 2018, only 8 drill sites are currently planned, with multiple holes where appropriate from the same site, in order to minimise disruption during site moves and to the community.**

- **Approvals - Drilling will operate, as it did in 2017, under the requirements of a General Permitted Development Order (GPDO) from Cornwall Council. This was approved in April 2018 and allows up to 24 holes to be drilled.**

- **Sound Minimisation - Straw bales will again be used around the rigs, where possible, to minimise noise impacts.**

Map of 2018 Drilling Sites Currently Planned



Diamond Drill Rig - Picture 1

Diamond Drill Rigs *(1 of 2)*

- **Drilling Rigs - The preceding picture shows a typical diamond drill rig expected to be used for the 2018 drilling program at Redmoor.**

- **Size - They are reasonably small and will be trailer- or crawler-mounted.**

- **Noise - The rig drills by rotary means using diamond tipped bits and muds to circulate the hole. No noisy percussive hammering is used.**

- **Aim - Get good core recovery for the site based geologists to log and sample.**

- **Assaying Cores - The rock cores are cut longitudinally, split into metre-long samples, catalogued in our warehouse at Kelly Bray and sent to a laboratory for assaying.**

- **Modelling Assay Results - The assay (analytical) results can then be put into 3D geology computer programmes for further analysis and interpretation.**

Diamond Drill Rigs *(2 of 2)*

- **Holes – CRL plan to use two to three drill rigs for the 2018 program.**
- **Work Day - As noise levels are to be kept low, drilling planned for 12 hour days.**
- **Community Impact - It is expected that there will be minimum impact on the local community during the drilling campaign, as was the case during the 2017 program.**
- **Complaint Procedure - A complaints procedure has been agreed with Cornwall Council with all the relevant contact details.**
- **No Previous Complaints - There were no formal complaints during the 2017 drilling campaign.**

Diamond Drilling Rigs – Picture 2

Where and When Could Mining Start at Redmoor?

- **Resource Requirement - For a mine to start, sufficient mineral resource needs to be identified. CRL have made good progress in 2017 but more resource needs to be found before a mine can be justified.**

- **Project Viability - Once the 2018 drilling campaign is complete, and assay results studied, CRL will be in a better position to state where and when mining could start at Redmoor.**

- **Possible Mine Location - The location for a mine and its surface infrastructure can only be planned once the areas to be mined are known. This work is unlikely to commence until 2019.**

- **Future Approvals - Any development would be subject to the normal planning process, as well as modern Health, Safety, and Environmental requirements.**

- **Economic Impact - If successful, such a project could have significant positive economic and employment impacts locally.**

Future Work by Cornwall Resources

- **Commercial Viability - As well as proving sufficient resource is in the ground, many other studies are required to confirm that the mine is commercially viable.**

- **Costings - Initial mining and mineral processing studies have commenced to give an idea of the cost of production and identify any technical issues.**

- **Extraction - Metallurgical work is also planned, consisting of lab-scale test work on mineralised sections of the core. This is intended to confirm metals can be easily extracted from the rock at good recoveries (the percentage of the contained metal retrieved).**

- **Timing - Geotechnical studies are also expected to be carried out this year to understand the rock strength and that the resource can be safely mined.**

- **Pre-Feasibility Study - If all progresses to plan, a Pre-Feasibility Study will then be prepared. This will be a more comprehensive report covering all aspects of starting a mine at Redmoor.**

CRL Contact Details:

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