TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
MARCH 31, 2019

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TINKA RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2019 $	September 30, 2018 $
ASSETS			
Current assets			
Cash		11,054,012	14,260,023
GST receivable		16,536	14,112
Amounts receivable		20,493	6,254
Prepaid expenses		46,331	66,352
Total current assets		11,137,372	14,346,741
Non-current assets			
Property, plant and equipment	4	23,814	28,266
Exploration and evaluation assets	5	41,971,643	39,272,838
Total non-current assets		41,995,457	39,301,104
TOTAL ASSETS		53,132,829	53,647,845
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	555,430	588,203
TOTAL LIABILITIES		555,430	588,203
SHAREHOLDERS' EQUITY			
Share capital	6	75,110,666	74,500,920
Share-based payments reserve	6	5,892,320	5,518,350
Deficit		(28,425,587)	(26,959,628)
TOTAL SHAREHOLDERS' EQUITY		52,577,399	53,059,642
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		53,132,829	53,647,845

Event after the Reporting Period - Note 11

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 28, 2019 and are signed on its behalf by:

/s/ ***Graham Carman***	/s/ ***Nick DeMare***
Graham Carman	Nick DeMare
Director	Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TINKA RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended March 31		Six Months Ended March 31	
		2019 $	2018 $	2019 $	2018 $
Expenses					
Accounting and administration	7(b)(ii)	29,950	21,496	63,560	51,294
Audit		512	-	42,512	38,760
Corporate development		3,507	15,644	9,013	26,922
Depreciation		787	1,484	1,506	2,968
General exploration		31,583	39,353	78,411	69,117
Investment conferences		24,994	28,122	59,162	80,011
Investor relations		22,500	22,500	45,000	45,000
Legal		22,551	21,614	47,710	83,765
Management fees	7(a)	70,002	70,002	140,004	140,004
Office		46,077	47,103	86,763	84,104
Professional fees	7	60,562	60,240	149,000	106,064
Regulatory		38,269	43,913	44,146	54,089
Rent	7(b)	9,073	12,484	21,947	19,239
Salaries, wages and benefits		78,949	56,219	197,608	169,509
Shareholder costs		13,759	8,894	20,482	23,686
Share-based compensation	6(d)	246,844	87,529	590,149	87,529
Transfer agent		8,720	4,900	11,162	9,419
Travel and related		56,268	71,011	98,384	145,091
		764,907	612,508	1,706,519	1,236,571
Loss before other items		(764,907)	(612,508)	(1,706,519)	(1,236,571)
Other items					
Interest income		65,615	23,339	139,157	44,557
Foreign exchange (loss) gain		(141,797)	25,214	101,403	106,744
		(76,182)	48,553	240,560	151,301
Net loss and comprehensive loss for the period		(841,089)	(563,955)	(1,465,959)	(1,085,270)
Loss per share - basic and diluted		$(0.00)	$(0.00)	$(0.01)	$(0.00)
Weighted average number of common shares outstanding - basic and diluted		264,609,031	224,733,558	264,381,821	220,742,173

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(Unaudited - Expressed in Canadian Dollars)

Six Months Ended March 31, 2019

	Share Capital				
	Number of Shares	**Amount $**	**Share-Based Payments Reserve $**	**Deficit $**	**Total Equity $**
Balance at September 30, 2018	262,666,202	74,500,920	5,518,350	(26,959,628)	53,059,642
Common shares issued for:					
- share options exercised	100,000	25,000	-	-	25,000
- warrants exercised	1,842,829	368,567	-	-	368,567
Transfer on exercise of share options and finders' warrants	-	216,179	(216,179)	-	-
Share-based compensation	-	-	590,149	-	590,149
Net loss	-	-	-	(1,465,959)	(1,465,959)
Balance at March 31, 2019	264,609,031	75,110,666	5,892,320	(28,425,587)	52,577,399

Six Months Ended March 31, 2018

	Share Capital					
	Number of Shares	**Amount $**	**Share Subscriptions Received $**	**Share-Based Payments Reserve $**	**Deficit $**	**Total Equity $**
Balance at September 30, 2017	211,987,322	53,486,789	-	5,198,982	(24,143,263)	34,542,508
Common shares issued for:						
- share options exercised	565,000	163,625	-	-	-	163,625
- warrants exercised	12,232,347	3,669,704	-	-	-	3,669,704
Share subscriptions received	-	-	37,920	-	-	37,920
Transfer on exercise of share options and finders' warrants	-	52,289	-	(52,289)	-	-
Share-based compensation	-	-	-	87,529	-	87,529
Net loss	-	-	-	-	(1,085,270)	(1,085,270)
Balance at March 31, 2018	224,784,669	57,372,407	37,920	5,234,222	(25,228,533)	37,416,016

TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended March 31, 2019 $	Six Months Ended March 31, 2018 $
Operating activities		
Net loss for the period	(1,465,959)	(1,085,270)
Adjustments for:		
Depreciation	1,506	2,968
Share-based compensation	590,149	87,529
Changes in non-cash working capital items:		
GST receivable	(2,424)	(7,431)
Amounts receivable	(14,239)	(14,473)
Prepaid expenses	20,021	66,018
Accounts payable and accrued liabilities	15,777	(33,909)
Net cash used in operating activities	(855,169)	(984,568)
Investing activities		
Expenditures on exploration and evaluation assets	(2,744,409)	(3,905,231)
Additions to property, plant and equipment	-	(1,689)
Net cash used in investing activities	(2,744,409)	(3,906,920)
Financing activities		
Issuance of common shares	393,567	3,833,329
Share subscriptions received	-	37,920
Deferred share issue costs	-	(177,468)
Net cash generated from financing activities	393,567	3,693,781
Net change in cash	(3,206,011)	(1,197,707)
Cash at beginning of period	14,260,023	6,036,919
Cash at end of period	11,054,012	4,839,212

Supplemental cash flow information - See Note 10

1. Nature of Operations

Tinka Resources Limited (the "Company") was incorporated on September 15, 1987 under the provisions of the Company Act (British Columbia). The Company is listed and traded on the TSX Venture Exchange ("TSXV") and the Lima Stock Exchange under the symbol "TK" and on the Frankfurt Exchange under the symbol "TLD". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 Canada.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Peru. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

As at March 31, 2019 the Company had working capital in the amount of $10,581,942. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future. These condensed consolidated interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to March 31, 2019.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2018, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended September 30, 2018 other than the adoption of IFRS 9 - *Financial Instruments* ("IFRS 9").

Financial Instruments

Effective October 1, 2018, the Company adopted IFRS 9 using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have an impact on the carrying amounts of the Company's financial instruments at the transition date. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

2. Basis of Preparation (continued)

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Subsidiaries

The subsidiaries of the Company are as follows:

Company	Location of Incorporation	Ownership Interest
Darwin Resources Corp.	Canada	100%
Tinka Resources S.A.C.	Peru	100%
Darwin Peru S.A.C.	Peru	100%

4. Property, Plant and Equipment

	Office Furniture and Equipment $	Vehicles $	Total $
Cost:			
Balance at September 30, 2017	116,206	101,141	217,347
Additions	8,890	-	8,890
Balance at September 30, 2018 and March 31, 2019	125,096	101,141	226,237
Accumulated Depreciation:			
Balance at September 30, 2017	(85,571)	(101,141)	(186,712)
Depreciation	(11,259)	-	(11,259)
Balance at September 30, 2018	(96,830)	(101,141)	(197,971)
Depreciation	(4,452)	-	(4,452)
Balance at March 31, 2019	(101,282)	(101,141)	(202,423)
Carrying Value:			
Balance at September 30, 2018	28,266	-	28,266
Balance at March 31, 2019	23,814	-	23,814

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

	March 31, 2019			September 30, 2018		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Colquipucro	381,318	8,575,803	8,957,121	381,318	8,333,515	8,714,833
Ayawilca	638,893	29,269,051	29,907,944	636,708	27,001,832	27,638,540
Other	-	3,106,578	3,106,578	-	2,919,465	2,919,465
	1,020,211	40,951,432	41,971,643	1,018,026	38,254,812	39,272,838

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

	Colquipucro $	Ayawilca $	Other $	Total $
Balance at September 30, 2017	8,096,360	18,212,263	2,554,100	28,862,723
Exploration costs				
Assays	-	10,717	-	10,717
Camp costs	-	1,109,691	-	1,109,691
Community relations	463,188	1,900,991	-	2,364,179
Consulting	70,217	100,340	-	170,557
Depreciation	-	5,323	-	5,323
Drilling	-	5,216,500	-	5,216,500
Environmental	33,891	292,498	-	326,389
Geological	-	445,818	-	445,818
Metallurgical	-	149,795	-	149,795
Software and database management	8,189	8,356	-	16,545
Topography	-	3,945	-	3,945
Travel	-	3,380	-	3,380
VAT incurred	-	-	1,252,605	1,252,605
VAT recovered	-	-	(887,240)	(887,240)
	575,485	9,247,354	365,365	10,188,204
Acquisition costs				
Concession payments	42,988	178,923	-	221,911
Balance at September 30, 2018	8,714,833	27,638,540	2,919,465	39,272,838
Exploration costs				
Camp costs	-	426,205	-	426,205
Community relations	207,032	970,705	-	1,177,737
Consulting	-	172,503	-	172,503
Depreciation	-	2,946	-	2,946
Drilling	-	87,471	-	87,471
Environmental	35,256	179,742	-	214,998
Geological	-	247,823	-	247,823
Metallurgical	-	147,435	-	147,435
Software and database management	-	17,245	-	17,245
Topography	-	1,586	-	1,586
Travel	-	13,558	-	13,558
VAT incurred	-	-	187,113	187,113
	242,288	2,267,219	187,113	2,696,620
Acquisition costs				
Concession payments	-	2,185	-	2,185
Balance at March 31, 2019	8,957,121	29,907,944	3,106,578	41,971,643

Colquipucro and Ayawilca Projects

As at March 31, 2019 the Colquipucro and Ayawilca projects comprise a total of 59 mineral claims granted in the Province of Daniel Alcides Carrion, Peru.

5. Exploration and Evaluation Assets (continued)

The Company is required to issue 500,000 common shares to Sierra Peru Pty Ltd. ("Sierra") in the event that a positive feasibility study is prepared on either of the Colquipucro or Ayawilca projects. Sierra also retains a right to a 1% net smelter return royalty ("NSR") from any production from the Colquipucro and Ayawilca projects. The NSR can be purchased at any time for US $1,000,000.

Other

Expenditures incurred by the Company in Peru are subject to Peruvian Value Added Tax ("VAT"). The VAT is included in exploration and evaluation assets as incurred. Under Peruvian law VAT paid can be used in the future to offset amounts resulting from VAT charged on sales. Under certain circumstances and subject to approval from tax authorities a Company can also apply for early refund of VAT prior to generating sales.

6. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Six Months ended March 31, 2019

No financings were conducted during the six months ended March 31 ,2019.

Fiscal 2018

During fiscal 2018 the Company completed the following financings:

(i) on April 4, 2018 the Company completed a prospectus offering of 16,790,000 units, at a price of $0.48 per unit for gross proceeds of $8,059,200. Each unit comprised one common share and one-half warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.75 per share until April 4, 2019. The Company paid a cash commission of $483,552; and

(ii) private placement financing of 17,042,284 units $0.48 per unit for gross proceeds of $8,180,296. Each unit comprised one common share and one-half warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.75 per share for one year from closing. On April 6, 2018 the Company closed on the first tranche of 12,022,284 units for gross proceeds of $5,770,696. A cash commission of $38,963 was paid on the first tranche placement. On April 27, 2018 the Company closed on the remaining tranche of 5,020,000 units for proceeds of $2,409,600.

The Company incurred a total of $409,945 for legal and other costs associated with the prospectus and private placement financings.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's warrants outstanding at March 31, 2019 and 2018 and the changes for the six months ended on those dates is as follows:

	2019		2018	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	31,141,314	0.60	26,476,273	0.36
Exercised	(1,842,829)	0.20	(12,232,347)	0.30
Expired	-	-	(18,750)	0.30
Balance, end of period	29,298,485	0.62	14,225,176	0.42

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at March 31, 2019:

Number	Exercise Price $	Expiry Date
8,395,000	0.75	April 4, 2019
6,011,138	0.75	April 6, 2019
2,510,000	0.75	April 27, 2019
12,382,347	0.45	May 29, 2020
29,298,485		

See also Note 11.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the six months ended March 31, 2019 the Company granted share options to purchase 345,000 common shares and recorded compensation expense of $2,846. The Company also recorded additional compensation expense of $664,959 on the vesting of share options previously granted and a recovery of $77,656 for expired and forfeited share options.

No share options were granted during the six months ended March 31, 2018. The Company recorded share-based compensation of $87,529 on the vesting of share options which were previously granted.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

The fair value of the share options recognized during the six months ended March 31, 2019 and 2018 was estimated using the Black-Scholes option pricing model using the following assumptions:

	2019	2018
Risk-free interest rate	0.758% - 2.05%	0.69% - 1.29%
Estimated volatility	64.24% - 108.74%	72.37% - 109.17%
Expected life	1.75 years - 3.25 years	1.5 years - 2 years
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options recognized, using the Black-Scholes option pricing model, during the six months ended March 31, 2019 was $0.21 (2018 - $0.13) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at March 31, 2019 and 2018 and the changes for the six months ended on those dates, is as follows:

	2019		2018	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	12,210,000	0.43	10,528,750	0.34
Granted	345,000	0.35	-	-
Exercised	(100,000)	0.25	(565,000)	0.29
Forfeited	(759,500)	0.49	-	-
Expired	(50,000)	0.33	-	-
Balance, end of period	11,645,500	0.42	9,963,750	0.35

The following table summarizes information about the share options outstanding at March 31, 2019:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
200,000	200,000	0.25	July 25, 2019
4,495,000	4,495,000	0.325	February 2, 2020
135,000	135,000	0.46	June 12, 2020
6,470,500	455,000	0.50	May 8, 2022
345,000	-	0.35	March 8, 2023
11,645,500	5,285,000		

(Unaudited - Expressed in Canadian Dollars)

7. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the six months ended March 31, 2019 and 2018 the following amounts were incurred with respect to the Company's Chief Executive Officer ("CEO"), Vice-President of Exploration ("VPE") and Chief Financial Officer ("CFO") as follows:

	2019 $	2018 $
Management fees - CEO	140,004	140,004
Professional fees - CFO	15,000	15,000
Professional fees - VPE	123,370	92,486
Share-based compensation	247,916	65,167
	526,290	312,657

During the six months ended March 31, 2019 the Company expensed $140,004 (2018 - $140,004) to management fees, $64,348 (2018 - $63,765) to professional fees and $247,916 (2018 - $65,167) for share-based compensation. In addition, the Company capitalized $74,022 (2018 - $43,721) of compensation paid to the VPE to exploration and evaluation assets.

As at March 31, 2019, $nil (September 30, 2018 - $27,743) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

(i) During the six months ended March 31, 2019 and 2018 the following amounts were incurred with respect to the Company's non-management current and former directors and the corporate secretary of the Company:

	2019 $	2018 $
Professional fees	48,360	43,800
Share-based compensation	184,878	-
	233,238	43,800

As at March 31, 2019 $8,000 (September 30, 2018 - $10,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the six months ended March 31, 2019 the Company incurred a total of $46,500 (2018 - $33,800) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administrative services provided by Chase personnel, excluding the CFO, and $2,010 (2018 - $2,010) for rent. As at March 31, 2019 $19,670 (September 30, 2018 - $7,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

8. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for base and precious metals. Management reviews the financial results according to expenditures by property. The Company's mineral properties are located in Peru and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

	March 31, 2019		
	Corporate Canada $	Mineral Operations Peru $	Total $
Current assets	10,826,242	311,130	11,137,372
Exploration and evaluation assets	-	41,971,643	41,971,643
Property, plant and equipment	3,482	20,332	23,814
	10,829,724	42,303,105	53,132,829

	September 30, 2018		
	Corporate Canada $	Mineral Operations Peru $	Total $
Current assets	14,066,883	279,858	14,346,741
Exploration and evaluation assets	-	39,272,838	39,272,838
Property, plant and equipment	4,202	24,064	28,266
	14,071,085	39,576,760	53,647,845

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; fair value through other comprehensive income ("FVOCI"); and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2019 $	September 30, 2018 $
Cash	FVTPL	11,054,012	14,260,023
Amounts receivable	Amortized cost	20,493	6,254
Accounts payable and accrued liabilities	Amortized cost	(607,755)	(588,203)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at March 31, 2019				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	11,054,012	-	-	-	11,054,012
Amounts receivable	20,493	-	-	-	20,493
Accounts payable and accrued liabilities	(555,430)	-	-	-	(555,430)

	Contractual Maturity Analysis at September 30, 2018				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	14,260,023	-	-	-	14,260,023
Amounts receivable	6,254	-	-	-	6,254
Accounts payable and accrued liabilities	(588,203)	-	-	-	(588,203)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

9. Financial Instruments and Risk Management (continued)

(b) Foreign Currency Risk

The Company has operations in Canada and Peru which are subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Peruvian Nuevo Soles and the fluctuation of the Canadian Dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company also maintains a US Dollar bank account with a Canadian bank. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At March 31, 2019, 1 Canadian Dollar was equal to 2.48 Peruvian Nuevo Soles and 0.75 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN $ Equivalent
Cash	709,429	1,828,339	2,729,308
Amounts receivable	50,815	-	20,493
Accounts payable and accrued liabilities	(1,211,121)	(20,363)	(515,632)
	(450,877)	1,807,976	2,234,169

Based on the net exposures as of March 31, 2019 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Peruvian Nuevo Soles and US Dollar would result in an increase or decrease of approximately $203,106.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

10. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the six months ended March 31, 2019 and 2018 are as follows:

	2019 $	2018 $
Operating activities		
Depreciation	2,946	2,382
Accounts payable and accrued liabilities	48,549	15,146
	51,495	17,528
Investing activity		
Exploration and evaluation assets	(51,495)	(17,528)

(Unaudited - Expressed in Canadian Dollars)

10. **Supplemental Cash Flow Information** (continued)

	2019 $	2018 $
Financing activities		
Share-based payment reserves	(216,179)	(52,289)
Transfer on exercise of options and finders' warrants	216,179	52,289
	-	-

11. Event After the Reporting Period

Subsequent to March 31, 2019 warrants to purchase 16,916,138 common shares, at an exercise price of $0.75 per share, expired without exercise.