TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

This discussion and analysis of financial position and results of operation is prepared as at January 26, 2022 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2021 and 2020 of Tinka Resources Limited (the "Company" or "Tinka"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward- Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Tinka's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Tinka's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Tinka's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; the preliminary nature of the PEA and the Company's ability to realize the results of the PEA; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Tinka have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Tinka believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Tinka does not intend, or assume any obligation, to update these Forward-Looking Statements.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company's website www.tinkaresources.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

Tinka is a junior mineral exploration company engaged in the acquisition and exploration of base and precious metals mineral properties in Peru, with the aim of developing these properties to a stage where they can be exploited at a profit, or arranged for joint venture whereby other companies can provide funding for development. The Company's key assets are the 100% owned Ayawilca and Colquipucro Properties (collectively the "Ayawilca Project"), located 200 kilometres northeast of Lima in the Pasco region of central Peru.

The Ayawilca Zinc Zone is a substantial polymetallic deposit containing significant quantities of zinc, silver and lead in sulphide resources which have been delineated from more than 88,000 metres of drilling. The Ayawilca Zinc Zone has an estimated 3.0 billion pounds of zinc, 10 million ounces of silver and 87 million pounds of lead in Indicated Mineral Resources; and 5.7 billion pounds of zinc, 31 million ounces of silver and 370 million pounds of lead in Inferred Mineral Resources (as at August 30, 2021 - see "Mineral Resources" section below). The Tin Zone deposit, which lies beneath the Zinc Zone, contains an estimated 189 million pounds of tin in Inferred Mineral Resources (as at August 30, 2021). A third resource exists at the Colquipucro property (the "Colqui Silver Zone") containing an estimated 14 million ounces of silver as Indicated Mineral Resources, and 13 million ounces in Inferred Mineral Resources (as at May 25, 2016). On November 10, 2021 the Company filed a technical report incorporating the results of an updated Preliminary Economic Assessment ("PEA") prepared for the Ayawilca Project compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

Sentient Global Resources Fund IV, LP ("Sentient") is an insider of Tinka, holding an aggregate of 73,382,073 common shares of the Company, approximately 21.5% of the Company's issued and outstanding common shares.

Compañia de Minas Buenaventura SAA ("Buenaventura") is also an insider of Tinka, holding an aggregate of 65,843,620 common shares of the Company holding approximately 19.3% of the Company's issued and outstanding common shares. Buenaventura is a precious and base metals mining and exploration-development company with numerous mining operations in Peru and is the largest independent Peruvian mining company.

Nexa Resources ("Nexa") holds 30,550,512 common shares or approximately 9.0% of the Company's issued and outstanding common shares. Nexa currently owns and operates three long-life underground mines in the central Andes of Peru and also owns and operates the only zinc smelter in the country at Cajamarquilla, located near the capital city of Lima. Nexa was among the top five miners and producers of zinc globally in 2020.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company trades on the TSX Venture Exchange ("TSXV") as a Tier 1 issuer, under the symbol "TK", on the OTCQB under the symbol "TKRFF", on the Lima Stock Exchange under the symbol "TK", and on the Frankfurt Exchange under the symbol "TLD".

Directors and Officers

As at the date of this MD&A, the Company's Directors and Officers are as follows:

Dr. Graham Carman	- President, Chief Executive Officer ("CEO") and director
Ben McKeown	- Non-executive Chairman and director
Nick DeMare	- Chief Financial Officer ("CFO") and director
Alvaro Fernandez-Baca	- Vice President, Exploration ("VPE")
Mary Little	- Director
Pieter Britz	- Director
Raul Benavides	- Director
Mariana Bermudez	- Corporate Secretary

COVID-19 Update

Following a peak in the number of COVID-19 cases and fatalities in April 2021 during the second wave of the outbreak in Peru, there has been a significant reduction in both categories during the subsequent months of 2021. However, during the last few weeks the Omicron variant has taken hold in Peru and case numbers are again on the rise.

While COVID-19 has had some impact on the performance of the Company and its Peruvian operations, it is not possible to reliably estimate the impact of the COVID-19 pandemic on the financial results of the Company and its operations in future periods.

Exploration Projects, Peru

Introduction

As at the date of this MD&A, the Company holds 59 granted mining concessions covering 16,548 hectares at its flagship Ayawilca Project in the Department of Pasco, Central Peru, held through its 100%-owned subsidiary Tinka Resources S.A.C.

The Company also holds 39 granted mining concessions covering 31,900 hectares (and 7 concession applications for 3,900 hectares) through its 100%-owned subsidiary Darwin Peru S.A.C. ("Darwin"). The majority of the Darwin concessions (35 granted mining concessions for 28,800 hectares and 2 applications for 700 hectares) form the Silvia copper-gold exploration project (the "Silvia Project") immediately adjacent to the Ayawilca Project in the Department of Huanuco, Central Peru.

Current Activities

Ayawilca Project

On October 14, 2021 the Company announced the results of an updated Preliminary Economic Assessment ("PEA") prepared for the Ayawilca Project. A technical report was filed on November 10, 2021. The updated PEA was disclosed in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and was prepared by Mining Plus Peru S.A.C. ("Mining Plus") as principal consultant, Transmin Metallurgical Consultants ("Transmin"), Envis E.I.R.L ("Envis"), and SLR Consulting (Canada) Ltd ("SLR").

The updated PEA provided the economic assessment for an underground ramp-access mine development of the Ayawilca Zinc Zone with an 8,500 tonnes per day (tpd) processing plant, a significant throughput increase from the previous 2019 PEA (which used 5,000 tpd).

PEA highlights:

1. After-tax $NPV_{8\%}$ of US $433,000,000 (up 19% from 2019 PEA) using base case metal prices of US $1.20/lb zinc, US $22/oz silver, and US $0.95/lb lead on a 100% equity basis (pre-tax $NPV_{8\%}$ of US $720,000,000).
2. Initial Capex of US $264,000,000 with after-tax IRR of 31.9% (pre-tax IRR of 42.6%).
3. At a spot price of US $1.50/lb zinc (close to current pricing), the after-tax $NPV_{8\%}$ increases to US $785,000,000 and IRR increases to 45.7% (pre-tax $NPV_{8\%}$ of US $1.27 billion and IRR of 61%).
4. Average annual production of approximately 155,000 tonnes of zinc in concentrate per year, which would make Ayawilca the largest primary zinc producer in South America and a top-10 global zinc producer.
5. 43,500,000 tonnes mined over 14.4 years using bulk underground mining methods (sub level stoping combined with overhand cut and fill) with daily mill throughput of 8,500 tonnes per day ("tpd").
6. Project located in a major mining region close to a paved highway under construction ~200 km from an operating zinc refinery and port on the Pacific coast near to Lima.
7. Designed to minimize risk and environmental impact: 40% of tailings used as underground backfill and on-surface tailings treatment and storage facility to use filtered dry-stack technology.
8. Numerous opportunities to add further value, including:
    - (i) exploration upside for additional zinc discoveries including at South, Far South, Yanapizgo, and Zone 3 areas;
    - (ii) further optimization of zinc and silver metallurgical recoveries; and
    - (iii) incorporating high grade Tin Zone resources into the mine plan.

Table 1: Ayawilca Zinc Zone PEA highlights (effective date October 14, 2021)

Financial Summary	**Pre-tax**	**After-tax**
NPV (8% discount rate)	US $720,000,000	US $433,000,000
Internal Rate of Return ("IRR")	42.6%	31.9%
Payback period	2.0 years	2.6 years
Pre-production capital expenditure (Capex)$^{(1)}$		US $264,000,000
Sustaining Capex		US $186,800,000
Life of Mine ("LOM") Capex		US $450,700,000
Closure Cost		US $15,200,000

Notes: (1) Includes contingencies of US $44,000,000

Operating Summary	
Processing plant throughput	8,500 t/day
Average annual zinc concentrate production	309,000 dmt/year
Average annual lead-silver concentrate production	8,680 dmt/year
Average annual silver in lead concentrate	632,000 oz/year
Total LOM zinc production	4,450,000 tonnes
Net smelter return from zinc and lead concentrates	US $4,156,000,000
Mining costs	US $32.79/t
Processing costs	US $7.10/t
General and administration costs	US $4.27/t
Total Operating Costs (Opex)	US $44.16/t

Notes: dmt = dry metric tonne. Numbers may not add due to rounding

Base Case Metal Prices & Exchange Rate Assumptions	**Input value**
Zinc Price	US $1.20/lb
Lead Price	US $0.95/lb
Silver Price	US $22/oz
NSR Cut-off value	US $65/t
Exchange Rate - Peruvian SOL / US$	3.87
Total material processed (LOM)	43,500,000 tonnes
Mine Life	14.4 years

Planned Activities at Ayawilca

Access agreement extensions with the local communities are in progress. Recently, the Company signed an access agreement extension with the community of Huarautambo, which covers a key part of the current Ayawilca deposit.

A geological reinterpretation of near vertical structures discovered at South Ayawilca in 2020 suggests there is further potential to expand the high-grade silver-lead-zinc mineralization. The Company is planning to commence a resource extension and definition drill program during the first half of 2022, which will include drill holes aimed at expanding this style of mineralization.

Mineral Resources

Updated Mineral Resource estimates for the Ayawilca Project, as estimated by SLR Consulting (Canada) Ltd ("SLR"), have an effective date of August 30, 2021 and were incorporated into the PEA. Mineral Resource estimates for two Ayawilca deposits (the "Zinc Zone" and "Tin Zone", respectively) were updated as a result of nearly 12,000 metres of drilling since 2020. A major step forward since the previous resource estimation in 2018 was the large increase in Indicated Zinc Zone resources to 3.0 billion pounds of contained zinc (previously 1.8 billion pounds), a 68% increase.

The Indicated Zinc Zone resource remained at a high grade of 7.2% zinc (+ silver + lead), while the Indicated Mineral Resource category now constitutes 35% of the total zinc inventory (previously 24%).

Key highlights of the updated mineral resource estimates:

1. Indicated Zinc Zone Mineral Resource of 19,000,000 tonnes grading 7.2% zinc, 0.2% lead and 16.8 g/t silver containing:
   (i) 3.0 billion pounds of zinc;
   (ii) 10.3 million ounces of silver; and
   (iii) 87 million pounds of lead.

2. Inferred Zinc Zone Mineral Resource of 47,900,000 tonnes grading 5.4% zinc, 0.4% lead & 20.0 g/t silver containing:
   (i) 5.7 billion pounds of zinc;
   (ii) 30.7 million ounces of silver; and
   (iii) 370 million pounds of lead.

3. Inferred Tin Mineral Resource of 8,400,000 tonnes grading 1.0% tin, containing:
   (i) 189 million pounds of tin.

The Tin Zone and Zinc Zone resources do not overlap, with the Tin Zone situated predominantly beneath the Zinc Zone. The Mineral Resources are reported above a net smelter return (NSR) cut-off value of US $55/tonne for the Zinc Zone and US $60/tonne for the Tin Zone.

The Mineral Resource estimates for the Zinc Zone by area (Table 2), and the Tin Zone (Table 3), have an effective date of August 30, 2021. The Colquipucro Silver Zone resource estimate (Table 4) has an effective date of May 25, 2016, also estimated by SLR (previously Roscoe Postle and Associates).

Table 2: Ayawilca Zinc Zone Mineral Resources as of August 30, 2021
Tinka Resources Limited – Ayawilca Property

Classification / Zone	Tonnage (Mt)	NSR ($/t)	Grade Zn (%)	Grade Ag (g/t)	Grade Pb (%)	Contained Metal Zn (Mlb)	Contained Metal Ag (Moz)	Contained Metal Pb (Mlb)
Indicated								
West	11.6	108	6.26	15.9	0.25	1,607	6.0	65
South	7.3	145	8.56	18.3	0.13	1,383	4.3	22
Total Indicated	**19.0**	**123**	**7.15**	**16.8**	**0.21**	**2,990**	**10.3**	**87**
Inferred								
West	5.5	106	5.90	20.8	0.42	719	3.7	52
South	9.0	134	7.45	34.4	0.33	1,477	10.0	65
Central	17.4	81	4.55	13.8	0.34	1,747	7.7	132
East	10.6	88	5.04	14.4	0.20	1,177	4.9	46
Silver	0.4	93	3.58	106.7	0.65	33	1.4	6
Buffer	4.9	87	4.66	19.2	0.63	504	3.0	69
Total Inferred	**47.9**	**96**	**5.36**	**20.0**	**0.35**	**5,657**	**30.7**	**370**

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off net smelter return (NSR) value of US $55/t.
3. The requirement of a reasonable prospect of eventual economic extraction is met by having a minimum modelling width for mineralized zones of three metres, a cut-off based on reasonable input parameters, and continuity of mineralization consistent with a potential underground mining scenario.
4. The NSR value was based on estimated metallurgical recoveries, assumed metal prices, and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were, US $1.20/lb Zn, US $22/oz Ag, and US $0.95/lb Pb. Metal recovery assumptions were, 92% Zn, 85% Ag, and 70% Pb. The NSR value for each block was calculated using the following NSR factors; US $16.23/% Zn, US $0.27/g Ag, and US $10.20/% Pb.
5. Payability is as follows; Zn 84%, Pb 94% and Ag 47%

6. The NSR value was calculated using the following formula:
   NSR = Zn(%)*US$16.23+Ag(g/t)*US$0.27+Pb(%)*US$10.20
7. Numbers may not add due to rounding.

Indium was previously included in the Zinc Zone resource estimation but is no longer reported.

Table 3: Ayawilca Tin Zone Inferred Mineral Resources as of August 30, 2021
Tinka Resources Limited - Ayawilca Property

Classification	Tonnage (Mt)	NSR ($/t))	Grade (% Sn)	Contained Metal (Mlb Sn)
Inferred	8.4	103	1.02	189

Notes:
1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off grade NSR value of US $60/t.
3. The requirement of a reasonable prospect of eventual economic extraction is met by having a minimum modelling width for mineralized zones of three metres, a cut-off based on reasonable input parameters, and continuity of mineralization consistent with a potential underground mining scenario.
4. The NSR value was based on estimated metallurgical recoveries, assumed metal prices, and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were, US $11.00/lb Sn. Metal recovery assumptions were, 70% Sn for blocks with Sn:Cu ≥ 5 and 40% for Sn:Cu < 5. The NSR value for each block was calculated using the following NSR factors, US $141.64 per % Sn for blocks with Sn:Cu ≥ 5 and US $80.94 for blocks with Sn:Cu <5.
5. The NSR value was calculated using the following formulae:
   If Sn:Cu ≥ 5: US $NSR = Sn(%)*US $141.64
6. If Sn:Cu < 5: US $NSR = Sn(%)*US $80.94
7. Numbers may not add due to rounding.

Copper and silver were reported in the Tin Zone previously but are no longer reported because they are not expected to contribute materially to the economics of the project.

Table 4: Colquipucro Silver Oxide Deposit Mineral Resources as of May 25, 2016
Tinka Resources Limited – Ayawilca Property

Classification / Zone	Tonnage (Mt)	Grade (g/t Ag)	Contained Metal (Moz Ag)
Indicated			
High Grade Lenses	2.9	112	10.4
Low Grade Halo	4.5	27	3.9
Total Indicated	**7.4**	**60**	**14.3**
Inferred			
High Grade Lenses	2.2	105	7.5
Low Grade Halo	6.2	28	5.7
Total Inferred	**8.5**	**48**	**13.2**

Notes:
1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported within a preliminary pit shell and above a cut-off grade of 15 g/t Ag for the low grade halo and 60 g/t Ag for the high grade lenses.
3. The cut-off grade is based on a price of US $24/oz Ag.
4. Numbers may not add due to rounding.

Silvia Project

In November 2021 the Company announced high-grade copper and gold results from Silvia NW, a new copper-gold discovery and one of several targets within the Company's 100%-owned Silvia Project consisting of 29,500 hectares of mining claims located adjacent to the Ayawilca Project. Silvia NW is an early-stage copper-gold prospect, but Tinka believes that Silvia NW has significant exploration potential based on the high grade of copper and gold in the outcrops, as well as the style of mineralization (i.e., skarn). Skarn deposits in Peru have formed in thick limestone sequences and are some of the largest and highest-grade copper deposits in the world, prime examples being Antamina (a global top-10 copper mine) some 90 km to the north, and Las Bambas in southern Peru. There are three broad targets at Silvia NW over a 3 km x 1 km area: Area A, Area B and Area C. Tinka's work to date has focused at Area A.

Highlights of results from Area A include:

1. 46 metres at 1.9 g/t gold & 0.8% copper (2.2% CuEQ* or 2.9 g/t AuEQ*) from a continuous trench sample, including:
   (i) 6 metres at 12.8 g/t gold & 2.7% copper (12.3% CuEQ or 16.4 g/t AuEQ), including
   (ii) 2 metres at 22.5 g/t gold & 2.5% copper (19.4% CuEQ or 25.8 g/t AuEQ).
2. Copper and gold mineralization is associated with chalcopyrite-bearing garnet skarn exposed in the core of a narrow valley with widespread shallow scree cover.
3. The footprint of the skarn mineralization at Area A has been extended through various phases of fieldwork to 550 m (N-S) and 400 m wide (E-W), including areas of scree cover.
4. Gold-copper skarn mineralization is associated with dikes of quartz feldspar biotite porphyry (QFP) intruding limestone - primary copper mineralization within the skarn occurs almost exclusively as chalcopyrite, while gold appears to occur as fine-grained native gold in chalcopyrite with possible tellurides.
5. Exploration is continuing at Areas A, B and C along the 3 km prospective trend with soil sampling, trench-panel sampling and mapping.
6. Field work has commenced in preparation for an Environmental Impact Declaration (or "DIA") to obtain the necessary permits for drilling at Silvia NW.

** Copper Equivalent (CuEQ) is calculated assuming 100% recovery of copper and gold using a Gold Conversion Factor of 0.751, calculated from a nominal copper price of US$3.30/lb and a gold price of US$1,700/oz. Gold Equivalent (AuEQ) is calculated assuming 100% recovery of copper and gold using a Copper Conversion Factor of 1.33.*

Planned Activities at Silvia

Surface sampling and mapping is continuing at Areas A, B and C at Silvia NW. The Company is moving ahead to obtain drill permits to allow the Company to drill the priority targets at Silvia NW as soon as possible. The geophysical data acquired from the previous owner (including ground magnetics and IP) is being reprocessed and interpreted. Other regional targets, including Silvia South, will be visited and sampled in early 2022.

Other Exploration Targets

The Pampahuasi property, an area staked by Darwin in late 2020, is located in the Department of Huancavelica, approximately 270 km southeast of Lima. The Pampahuasi property consists of 3 granted mining concessions for 2,100 hectares and 4 applications for 2,200 hectares. The area is prospective for vein style gold and silver mineralization. The Company's geologists have identified several parallel vein structures within the Pampahuasi claims which trend northwest-southeast covering an area of approximately 0.5 km by 1.5 km. Of 20 vein samples collected to date from this area, gold grades range from <0.01 g.t Au to 3.61 g/t Au and silver grades range from 0.1 g/t Ag and 69 g/t Ag. A single channel sample across a vein outcrop returned 3.0 metres grading 3.6 g/t Au and 2.4 g/t Ag.

Further surface work at Pampahuasi is planned in early 2022, to expand the known outcrop of mineralized veins and to identify further mineralized structures associated with various colour anomalies on satellite imagery.

Qualified Persons

The qualified person for the Company's projects, Dr. Graham Carman, President and CEO of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy ("FAUSIMM"), has reviewed and verified the technical information in this MD&A and is responsible for other technical information (i.e., information not directly related to the Mineral Resource Estimate or the PEA) in this MD&A.

Ms. Katharine M. Masun, MSA, M.Sc., P.Geo., SLR Consultant Geologist, and Ms. Dorota El Rassi, P.Eng., SLR Consultant Engineer, both Qualified Persons under National Instrument 43-101 and independent of Tinka, were responsible for the Mineral Resources estimations disclosed in this MD&A.

Mr. Kim Kirkland, FAUSIMM, Geological Engineer, Principal Mining Consultant with Mining Plus, and Edgard Vilela, MAusIMM (CP), Mining Engineer, Underground Manager, a fulltime employee of Mining Plus, both Qualified Persons under NI 43-101 and independent of Tinka, were responsible for the financial results and mine plan disclosed in the PEA and summarized in this MD&A.

Mr. Adam Johnson, FAUSIMM (CP)., Chief Metallurgist with Transmin Metallurgical Consultants (Peru), a Qualified Person under NI 43-101 and independent of Tinka, was responsible for the metallurgical assumptions of the PEA in this MD&A.

Mr. Donald Hickson, P.Eng., of Envis E.I.R.L Peru (Envis), a Qualified Person as defined by NI 43-101, was responsible for inputs on processing and tailings filtering and storage in the PEA and in this MD&A.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Year Ended September 30,		
	2021 $	**2020 $**	**2019 $**
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(1,628,842)	(3,054,558)	(2,767,231)
Other items	(425,802)	371,289	321,229
Net loss	(2,054,644)	(2,683,269)	(2,446,002)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	11,195,041	20,160,588	5,945,016
Total assets	67,107,503	69,306,911	52,808,759
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2021				Fiscal 2020			
	Sept. 30 2021 $	**Jun. 30 2021 $**	**Mar. 31 2021 $**	**Dec. 31 2020 $**	**Sept. 30 2020 $**	**Jun. 30 2020 $**	**Mar. 31 2020 $**	**Dec. 31 2019 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(371,850)	(410,860)	(479,598)	(366,534)	(417,775)	(424,330)	(1,747,654)	(464,799)
Other items	297,475	(133,935)	(87,637)	(501,705)	(3,053)	(567,189)	933,211	8,320
Net loss and comprehensive loss	(74,375)	(544,795)	(567,235)	(868,239)	(420,828)	(991,519)	(814,443)	(456,479)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	11,195,041	12,398,568	14,526,894	16,838,169	20,160,588	20,872,770	22,355,992	4,441,536
Total assets	67,107,503	67,200,711	67,524,274	68,798,852	69,306,911	69,307,616	70,211,504	52,067,039
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2021 Compared to Three Months Ended June 30, 2021

During the three months ended September 30, 2021 (“Q4”) the Company reported a net loss of $74,375 compared to a net loss of $544,795 for the three months ended June 30, 2021 (“Q3), a decrease in loss of $470,420. The decrease in loss was primarily attributed to the recognition of a foreign exchange loss of $152,220 in Q3 compared to a foreign exchange gain of $290,305 in Q4, resulting in a change of $442,525, and $42,010 decrease in general and administrative expenses from, $410,860 during Q3 to $371,850 during Q4.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

During the three months ended September 30, 2021 (the "Q4/2021") the Company reported a net loss of $74,375, compared to a net loss of $420,828 for the three months ended September 30, 2020 (the "Q4/2020"), a decrease in loss of $346,453. The decrease in loss is mainly attributed to the recognition of a foreign exchange loss of $44,719 in Q4/2020 compared to a foreign exchange gain of $290,305 in Q4/2021, a change of $335,024, due to the fluctuation of exchange rates.

Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

During the year ended September 30, 2021 ("fiscal 2021"), the Company reported a net loss of $2,054,644 compared to a net loss of $2,683,269 for the year ended September 30, 2020 ("fiscal 2020"), a decrease in loss of $628,625. The decrease in loss was primarily due to a $1,425,716 decrease in general and administrative expenses, from $3,054,558 during fiscal 2020 to $1,628,842 during fiscal 2021, partially offset by the recognition of a foreign exchange fluctuation of $706,212, from a foreign exchange gain of $180,675 during fiscal 2020 compared to a foreign exchange loss of $525,537, and a $90,879 decrease in interest income, from $190,614 during fiscal 2020 compared to $99,735 during fiscal 2021. Significant fluctuations in expenses were as follows:

(i) during fiscal 2021 the Company recorded share-based compensation expense of $40,085 (2020 - $1,074,407) on the granting and vesting of share options;
(ii) during fiscal 2021 the Company incurred $574,272 (2020 - $650,100) for directors and officers compensation. During fiscal 2020 the Company paid $130,000 for other compensation to certain officers of the Company. See also "Transactions with Related Parties";
(iii) legal expenses increased by $49,575 during fiscal 2021 to $102,558 compared to $52,983 during fiscal 2020 arising from the engagement of legal services to review electrical power generation opportunities, preparing IVA rebate submissions, preparation of agreements to the Silvia Project and various legal opinions;
(iv) due to the impact of COVID-19, many investment conferences were cancelled or modified to virtual participation. Accordingly, investment conference expenses decreased by $27,722, from $47,114 in fiscal 2020 to $19,392 in fiscal 2021;
(v) during fiscal 2020 the Company incurred $101,252 for corporate travel compared to $12,379 during fiscal 2021 due to major COVID-19 travel restrictions during fiscal 2021;
(vi) a $169,036 decrease in salaries and benefits, from $427,486 during fiscal 2020 to $258,450 during fiscal 2021. The decrease reflects the reduction of employees as a result of COVID-19 on activities in Peru.

The Company holds its cash in interest bearing accounts in major financial institutions. The Company has also set aside US $6,000,000 in deposit with its financial institution. These funds were segregated for the purpose of incurring expenditures for exploration and development on the Company's mineral projects. These funds also bear interest. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the fiscal 2021 the Company recorded interest income of $99,735 compared to $190,614 during the 2020 period.

The carrying costs of the Company's exploration and evaluation assets are as follows:

	As at September 30, 2021			**As at September 30, 2020**		
	Acquisition Costs $	**Deferred Exploration Costs $**	**Total $**	**Acquisition Costs $**	**Deferred Exploration Costs $**	**Total $**
Colquipucro	402,014	9,261,472	9,663,486	402,014	8,794,352	9,196,366
Ayawilca	1,571,273	40,301,497	41,872,770	1,297,195	35,026,527	36,323,722
Other	329,924	3,400,813	3,730,737	-	2,797,596	2,797,596
	2,303,211	52,963,782	55,266,993	1,699,209	46,618,475	48,317,684

Exploration and evaluation activities incurred during fiscal 2021 and 2020 are as follows:

	Colquipucro $	Ayawilca $	Other $	Total $
Balance at September 30, 2019	9,048,534	33,306,363	3,433,415	45,788,312
Exploration costs				
Assay	-	17,564	-	17,564
Camp costs	530	616,066	-	616,596
Community relations	147,302	780,734	-	928,036
Depreciation	-	10,291	-	10,291
Drilling	-	52,811	-	52,811
Engineering	-	145,930	-	145,930
Environmental	-	317,099	-	317,099
Geological	-	437,188	-	437,188
Health and safety		180,718		180,718
Metallurgical	-	82,784	-	82,784
Modelling	-	37,399	-	37,399
Software and database management		14,759		14,759
Topography	-	2,775	-	2,775
VAT incurred		-	309,038	309,038
VAT recovered	-	-	(944,857)	(944,857)
	147,832	2,696,118	(635,819)	2,208,131
Acquisition costs				
Concession payments and related taxes	-	321,241	-	321,241
Balance at September 30, 2020	9,196,366	36,323,722	2,797,596	48,317,684
Exploration costs				
Assays	-	-	10,059	10,059
Camp costs	2,322	752,409	13,114	767,845
Community relations	438,844	939,287	-	1,378,131
Depreciation	-	11,352	-	11,352
Drilling	-	1,700,246	-	1,700,246
Engineering	23,343	268,049	-	291,392
Environmental	2,611	498,540	-	501,151
Geological	-	567,571	8,324	575,895
Health and safety	-	355,220	-	355,220
Metallurgical	-	153,802	-	153,802
Software and database management	-	27,306	-	27,306
Topography	-	1,188	-	1,188
VAT incurred	-	-	706,488	706,488
VAT recovered	-	-	(134,768)	(134,768)
	467,120	5,274,970	603,217	6,345,307
Acquisition costs				
Property acquisition payment	-	-	177,176	177,176
Concession payments and related taxes	-	274,078	128,931	403,009
Staking costs	-	-	23,817	23,817
	-	274,078	329,924	604,002
Balance at September 30, 2021	9,663,486	41,872,770	3,730,737	55,266,993

During fiscal 2021 the Company focused on continuing exploration drilling, metallurgical test work, construction of access roads and platforms, rehabilitation of drill sites and access tracks with local communities. The Company incurred a total of $6,949,309 (2020 - $2,529,372) for exploration expenditures and acquisition costs, comprising $5,549,048 (2020 - $3,017,359) on the Ayawilca Project, $467,120 (2020 - $147,832) on the Colquipucro Project, and $361,421 (2020 - $nil) for the other property acquisition payments and staking costs on minor concessions held in

Central Peru. In addition, in Peru the Company incurred $706,488 (2020 - $309,038) for VAT tax and recovered VAT of $134,768 (2020 - $944,857). See also “Exploration Projects, Peru”.

Financings

During fiscal 2021 the Company did not conduct any equity financings.

During fiscal 2020 the Company completed a non-brokered private placement financing totalling 76,131,686 common shares of the Company for $18,500,000 and issued 65,843,620 common shares of the Company to Compania de Minas Buenaventura S.A. for $16,000,000 and 10,288,066 common shares to Sentient Global Resources Fund IV, LP for $2,500,000. The net proceeds from the private placement are being used for development of the Company’s Ayawilca Project, further exploration, and for working capital and general corporate purposes.

Financial Condition / Capital Resources

The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned significant revenues 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. As at September 30, 2021 the Company had working capital in the amount of $11,195,041, including $7,644,600 (US $6,000,000) set aside by the Company for exploration and development of the Company’s mineral projects. Management considers that the Company has sufficient funds to continue advancing the Ayawilca Project, continue exploration and drill permitting on the Silvia Project and maintain ongoing corporate overhead and field expenses over the next twelve months. See also “Exploration Projects, Peru”. Exploration activities may change as a result of ongoing results and recommendations or the Company may acquire additional properties which may entail significant exploration commitments. While the Company has been successful in securing financings in the past, there is material uncertainty it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company’s significant critical accounting estimates is included in Note 3 to the September 30, 2021 annual consolidated financial statements.

Changes in Accounting Policies

Effective October 1, 2020 the Company adopted the Amendments to IFRS 3 - *Definition of a Business*, which clarifies the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and

- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no impact on the Company's consolidated financial statements upon the adoption of the amendments of this standard.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the September 30, 2021 annual consolidated financial statements.

Transactions with Related Parties

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 fiscal 2021 and 2020 the following amounts were incurred with respect to the Company's CEO (Dr. Carman), the Company's CFO (Mr. Nick DeMare) and the Company's VPE (Mr. Alvaro Fernandez-Baca) as follows:

	2021 **$**	**2020** **$**
Management fees - Dr. Carman	309,996	279,336
Other compensation - Dr. Carman	-	75,000
Management fees - Mr. Fernandez-Baca	206,190	225,959
Other compensation - Mr. Fernandez-Baca	-	40,000
Professional fees - Mr. DeMare	36,000	33,100
Share-based compensation - Dr. Carman	-	292,500
Share-based compensation - Mr. DeMare	-	91,000
Share-based compensation - Mr. Fernandez-Baca	-	156,000
	552,186	1,192,895

During fiscal 2021 the Company expensed $428,472 (2020 - $517,820) to directors and officers compensation and $nil (2020 - $539,500) for share-based compensation. In addition, the Company capitalized $123,714 (2020 - $135,575) of compensation paid to the VPE to exploration and evaluation assets.

As at September 30, 2021 $3,000 (2020 - $nil) remained unpaid.

Pursuant to various agreements with its CEO (Dr. Carmen) and its VPE (Mr. Fernandez-Baca), the Company is currently committed to pay up to approximately $860,000 in the event of termination without cause or a change of control of the Company.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2021 and 2020 the following amounts were incurred for professional services provided by non-management directors of the Company (Mary Little, Ben McKeown, and Raul Benavides) and the Corporate Secretary (Mariana Bermudez):

	2021 **$**	**2020** **$**
Professional fees - Ms. Little	30,000	27,500
Professional fees - Mr. McKeown	45,000	42,800
Professional fees - Mr. Benavides	30,000	15,500
Professional fees - Ms. Bermudez	37,800	31,480
Special services - Ms. Bermudez	-	15,000
Share-based compensation - Ms. Little	-	91,000

	2021 $	2020 $
Share-based compensation - Mr. McKeown	-	117,000
Share-based compensation - Ms. Bermudez	-	65,000
	145,800	405,280

As at September 30, 2021 $3,500 (2020 - $1,680) remained unpaid.

(ii) During fiscal 2021 the Company incurred a total of $54,000 (2020 - $57,800) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and $4,020 (2020 - $4,020) for rent. As at September 30, 2021 $4,170 (2020 - $4,170) remained unpaid.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Peru and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

In March 2020 the World Health Organization ("WHO") declared the outbreak of a novel coronavirus, identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. Mining and exploration activities has, to a large extent, continued uninterrupted. The Company has implemented safety and physical distancing procedures, testing protocols and is encouraging its employees to be vaccinated. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at January 26, 2022, there were 340,740,717 issued common shares and 13,720,000 share options outstanding, at exercise prices ranging from $0.25 to $0.50 per share.