

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2022

This discussion and analysis of financial position and results of operation is prepared as at January 25, 2023 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2022 and 2021 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; the political environment in which the Company operates continuing to support the development and operation of mining projects; risks related to negative publicity with respect to the Company or the mining industry in general; the threat associated with outbreaks of viruses and infectious diseases, including the novel COVID-19 virus; 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](http://www.sedar.com) or the Company's website [www.tinkaresources.com](http://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 metal 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 flagship property is the 100%-owned Ayawilca zinc-silver-tin project ("the Ayawilca Project") located 200 kilometres northeast of Lima in the Pasco region of central Peru. The Company filed a technical report for the Ayawilca Project on November 10, 2021, incorporating the results of an updated Preliminary Economic Assessment ("PEA") compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). In addition to the Ayawilca Project, the Company is actively exploring its extensive land package in Central Peru for new copper-gold and zinc discoveries.

The Ayawilca Project consists of three discrete mineral deposits, each with separate resource estimations (the "Zinc Zone", "Tin Zone", and "Colqui Silver Zone", respectively). The PEA focussed on the Zinc Zone deposit only (see Table 1) and showed that Ayawilca has the potential to be a global top-10 zinc producer. The Zinc Zone indicated resource estimation contains 3.0 billion pounds of zinc, 10 million ounces of silver, and 87 million pounds of lead (as of August 30, 2021). The Zinc Zone inferred resource estimation has an additional 5.7 billion pounds of zinc, 31 million ounces of silver, 370 million pounds of lead. The Zinc Zone remains open for expansion in several directions.

The Tin Zone deposit lies beneath, and on the margins of, the Zinc Zone. The Tin Zone inferred resource estimation contains 189 million pounds of tin (as of August 30, 2021). The Tin Zone deposit remains open in all directions.

The Colqui Silver Zone (also referred to as "Colquipucuro"), located 1.5 kilometres north of the Zinc Zone, is an outcropping disseminated sandstone-hosted silver deposit with an indicated resource estimation containing 14 million ounces of silver, and an additional 13 million ounces of silver in inferred resources (as of May 25, 2016). The deposit remains open to the west and at depth.

On May 31, 2022, the Company closed a strategic private placement ("the Private Placement") with Nexa Resources S.A. ("Nexa") and Compañía de Minas Buenaventura SAA ("Buenaventura") for total gross proceeds of \$11,123,906. Nexa subscribed for 40,792,541 common shares of the Company at a price of \$0.22 per common share (the "Issue Price") for proceeds of \$8,974,359 to the Company. Upon closing of the Private Placement, Nexa holds 71,343,053 common shares or approximately 18.2% of the Company's issued and outstanding shares on a non-diluted basis. Buenaventura exercised its pre-existing pre-emptive right and subscribed for 9,770,669 common shares at the Issue Price for additional gross proceeds of \$2,149,547 to the Company. Buenaventura holds 75,614,289 common shares or approximately 19.3% of the issued and outstanding common shares of the Company on a non-diluted basis. The proceeds of the financing will be used for development of the Company's Ayawilca project (including exploration and infill drilling programs, metallurgical programs, and other technical and environmental studies), early-stage exploration of the Silvia project, and for working capital and general corporate purposes. Pursuant to the closing of the Private Placement, Mr. Jones Belther, Senior Vice President of Exploration and Technology at Nexa, joined the Company's board of directors. Nexa is the largest zinc producer in South America based in Sao Paulo, Brazil. Nexa owns and operates three long-life underground zinc mines in Central Peru and owns and operates the only zinc smelter in Peru at Cajamarquilla, as well as three mines and two zinc smelters in Brazil. Buenaventura is a Peruvian-focused precious and base metals mining and exploration-development company with numerous mining operations in Peru.

Sentient Global Resources Fund IV, LP ("Sentient") holds an aggregate of 73,382,073 common shares of the Company or approximately 18.8% of the Company's issued and outstanding common shares.

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".

### ***Management, Directors and Officers***

Effective November 30, 2022 Mr. Alvaro Fernandez-Baca resigned as VP of Exploration. Mr. Fernandez-Baca made many contributions to the Company since his appointment in 2015 including playing a major role in the discovery of the South Ayawilca Zinc Zone. The Company has been building and expanding its management team in Peru and has a strong in-house leadership team with significant technical expertise. The Company currently has no plans to fill the role of VP Exploration. The technical team at Tinka is now be led by Mr. Jorge Gamarra, Project Manager (employed at Tinka since June 2022), and Mr. Luis Giraldo, Exploration Manager (employed as Senior Geologist since 2014) who both report directly to Dr. Graham Carman. Mr. Georg Winkelmann is General Manager of the Company's Peru subsidiary and has been in that role since January 2022.

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
Mary Little	- Director
Pieter Britz	- Director
Raul Benavides	- Director
Jones Belther	- Director
Mariana Bermudez	- Corporate Secretary

## **Exploration Projects, Peru**

### ***Introduction***

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

In addition Darwin Peru S.A.C., a 100%-owned subsidiary of Tinka, holds 32 granted mining concessions covering 24,400 hectares and 2 concession applications for 700 hectares. The Silvia Project is situated in the Department of Huanuco and forms most of these mining claims (26 granted mining concessions for 21,300 hectares and 2 concession applications for 700 hectares).

### ***Ayawilca Project***

The Company commenced a 10,000-metre exploration and resource definition drill program during June 2022 initially with one drill rig and then increased to two drill rigs from mid-September 2022 onwards. As of the date of this MD&A, the drill program is continuing with no interruptions with both drill rigs in operation and approximately 8,200 metres of drilling completed. The principal aim of the 2022-2023 drill program is to expand the Zinc Zone measured and indicated resources at South and West Ayawilca. Several holes are planned for metallurgical, geotechnical and hydrological studies. In January 2023, the Company announced that the drill program would be increased to 11,000 metres (for approximately 30 holes) on the back of excellent initial drill results from South Ayawilca (see below).

Results have been reported for the first 17 drill holes of the drill program. Numerous holes in the program have intersected high-grade zinc mineralization. While most of the holes are infill holes to better define the mineral resources, at South Ayawilca several drill holes have intersected ultra high-grade zinc from both within and outside the boundaries of the resources. In January 2023, the Company announced the results of hole A22-202 which returned the best drill intercept ever made at the Ayawilca project: 38.9 metres grading 20.0% zinc including an ultra high-grade interval of 10.4 metres grading 42.0% zinc. Massive zinc sulphide mineralization is concentrated in the hinge of a fold 'anticline'. Several fan holes are now being drilled from the same drill platform to target extensions of this ultra high-grade zinc mineralization, with results of these holes pending.

The second drill rig has been focussed on resource definition at West Ayawilca. Hole A22-200 returned one of the best drill intersections ever from the West Ayawilca area: 44.9 metres grading 12.0 % zinc from 283.3 metres depth. A22-202 was followed-up by hole A22-207, which recorded a similar intersection: 45.2 metres at 11.5% zinc from 248.0 metres. Several other holes are in progress (or have been completed) and results are pending for these holes.

### ***South Ayawilca Drill Program 2022-2023 - Highlights:***

- Hole A22-195: 6.0 metres at 18.8% zinc from 392.6 metres depth including 3 metres at 27.7% zinc from 395.9 metres.
- Hole A22-199: 5.3 metres at 14.3% zinc from 138.8 metres depth and 42.4 metres at 9.4% zinc from 246.5 metres, including:
  - 5.5 metres at 22.9% zinc from 261.3 metres depth, and
  - 9.1 metres at 20.8% zinc from 279.8 metres depth.

- Hole A22-202: 38.9 metres at 20.0% zinc from 170.5 metres depth, including:
  - 10.4 metres at 42.0% zinc from 193.3 metres depth, including:
    - 3.8 metres at 49.9% zinc from 198.0 metres depth.
  - The 38.9 metres interval is the highest grade-thickness intercept ever drilled at Ayawilca.
- Hole A22-204: 14.8 metres at 8.4% zinc from 196.4 metres depth, including:
  - 6.1 metres at 12.6% zinc from 200 metres depth, and
  - 26.5 metres at 6.2% zinc from 264.5 metres depth, including:
    - 3.9 metres at 15.1% zinc from 283.8 metres depth.

*West Ayawilca Drill Program 2022-2023 - Highlights:*

- Hole A22-193: 21.6 metres at 175 g/t silver, 1.0% zinc and 0.3% lead from 168.3 metres depth, including
  - 5.8 metres at 567 g/t silver, 0.8% zinc and 0.3% lead from 168.3 metres depth.
- Hole A22-197: 79.4 metres at 5.3% zinc from 271.6 metres depth, including:
  - 26.3 metres at 8.4% zinc from 281.7 metres depth.
- Hole A22-198: 37.0 metres at 5.2% zinc from 312.3 metres depth, including:
  - 7.2 metres at 9.1% zinc from 326.0 metres depth.
- Hole A22-200: 44.9 metres at 12.0% zinc from 283.3 metres depth, including:
  - 16.1 metres at 22.2% zinc from 312.1 metres depth.
- Hole A22-207:
  - 5.9 metres at 24.0% zinc from 115.9 metres and
  - 132.5 metres at 6.8% zinc from 193.9 metres depth, including:
    - 45.2 metres at 11.5% zinc from 248.0 metres depth, and
    - 6.5 metres at 27.2% zinc from 319.9 metres depth.
- Hole A22-203:
  - 49.8 metres at 8.3% zinc from 186.8 metres depth, including:
    - 5.9 metres at 13.9% zinc from 197.7 metres depth, and
    - 2.8 metres at 23.3% zinc from 216.2 metres depth.
- Hole A22-205:
  - 134.0 metres at 4.8% zinc from 180.0 metres depth, including:
    - 14.4 metres at 9.4% zinc from 300.0 metres depth.

True thicknesses of the mineralized intercepts are estimated to be at least 75% of the downhole thicknesses.

*Ayawilca Tin Zone*

Metallurgical test work of the Ayawilca Tin Zone mineralization has continued during the current period. The key objective of this test work is to produce a saleable tin concentrate at high enough tin recovery for the Tin Zone mineralization to be potentially economic. The sulphide gangue minerals associated with the tin mineralization require separation and removal by flotation prior to the gravity stage, while the tin mineralization typically itself responds well to concentration by gravity.

Three composite samples representing different styles of tin mineralization have been studied in the test work, with final results pending. Preliminary results from a pyrite-marcasite-carbonate-cassiterite ('tin rich') domain from South Ayawilca are very promising, with a high-grade tin concentrate reported with high tin recoveries. A second composite from a pyrrhotite-quartz-carbonate-cassiterite±chalcopyrite ('tin-copper rich') domain from Central Ayawilca is more refractory and requires additional processing following gravimetric tin separation to produce acceptable tin recoveries (e.g., direct tin flotation). Test work is ongoing on a third composite sample from a sphalerite-pyrrhotite-pyrite-carbonate-cassiterite ('zinc-tin rich') domain from South Ayawilca. We expect this test work to be completed by the end of February 2023.

A re-assay program for tin has recently been completed on all drill holes from Ayawilca. This involved the re-assay for tin of over 2,500 sulphide-rich drill core samples from Ayawilca pulp samples that had previously lacked tin analyses. The complete tin assay dataset is now incorporated into the drill hole database. Several new zones of tin mineralization have been identified because of this re-assaying program.

### *Planned 2023 Work Programs*

The current 11,000 metre drill program at Ayawilca is expected to be completed by April 2023. Once all drill hole results are available, a resource upgrade for the Ayawilca Zinc Zone will be completed during Q2 2023. Engineering studies are planned at Ayawilca for Q2 2023 (including metallurgical, hydrological and geotechnical). A decision point for the commencement of a prefeasibility study is expected during Q3 2023.

The Company continues to assess exploration opportunities at Ayawilca. Some of our previous drill targets for zinc are being reassessed with new geological concepts (including at Colquipucro, Central and East Ayawilca). Several targets remain undrilled including at Far South, which lies outside of the current granted drill permit but is expected to be granted soon.

### *Silvia Project*

Fieldwork at the Silvia Project has been put on hold while Tinka geologists focus on the drill campaign at Ayawilca. Early in 2022, Tinka's field crews mapped and rock chip sampled the Silvia NW and Silvia South copper-gold skarn targets. At Silvia NW, three zones described as Areas A, B and C define a footprint with discontinuous copper-gold skarn mineralization over an area of approximately 3 km x 1 km. The footprint of high-grade copper-gold skarn mineralization at Area A covers an area of 550 metres by 400 metres including areas of scree cover. Previous sampling across the skarn discovery outcrop at Area A included 46 metres at 1.9 g/t gold and 0.8% copper in a continuous trench sample, including 6 metres at 2.7% copper and 12.8 g/t gold.

During the June 2022 quarter, Tinka successfully completed a public participation process required to file a DIA ("Declaración de Impacto Ambiental") environmental impact assessment report. This report is required to obtain an initial 40 platform drill permit over the Silvia NW target. The DIA was filed during the December 2022 quarter. Tinka completed a drone-based Digital Elevation Model (DEM) over the Silvia NW target during the December 2022 quarter. The DEM will be a valuable resource for future airborne geophysical surveys and drill programs.

### *Other Exploration Targets*

The Pampahuasi property is in the Department of Huancavelica 300 km southeast of Lima. Pampahuasi consists of six granted mining concessions for 3,100 hectares held by the Company's wholly-owned subsidiary, Darwin Peru S.A.C. The area is prospective for vein gold and silver mineralization. The Company's geologists have identified several parallel vein structures within the claims trending northwest-southeast covering approximately 0.5 km by 1.5 km. Of 20 vein samples collected by Tinka 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 work at Pampahuasi has been put on hold while the Company focuses on the drill program at Ayawilca.

### **Ayawilca Project - 2021 PEA**

On October 14, 2021 the Company released the results of an updated 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 (5,000 tpd).

PEA highlights:

1. After-tax NPV<sub>8%</sub> 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<sub>8%</sub> 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. Strong leverage to zinc price: assuming a zinc price of US \$1.50/lb (note: current spot is ~ US \$1.65/lb), the after-tax NPV<sub>8%</sub> increases to US \$785,000,000 and IRR increases to 45.7% (pre-tax NPV<sub>8%</sub> of US \$1.27 billion and IRR of 61%).
4. 43.5 million 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”).
5. 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.
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)**

<b>Financial Summary</b>	<b>Pre-tax</b>	<b>After-tax</b>
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) <sup>(1)</sup>		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

<b>Operating Summary</b>	
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

<b>Base Case Metal Prices &amp; Exchange Rate Assumptions</b>	<b>Input value</b>
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

## Ayawilca 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			Contained Metal		
			Zn (%)	Ag (g/t)	Pb (%)	Zn (Mlb)	Ag (Moz)	Pb (Mlb)
<b>Indicated</b>								
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
<b>Total Indicated</b>	<b>19.0</b>	<b>123</b>	<b>7.15</b>	<b>16.8</b>	<b>0.21</b>	<b>2,990</b>	<b>10.3</b>	<b>87</b>
<b>Inferred</b>								
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
<b>Total Inferred</b>	<b>47.9</b>	<b>96</b>	<b>5.36</b>	<b>20.0</b>	<b>0.35</b>	<b>5,657</b>	<b>30.7</b>	<b>370</b>

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.

- 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.
- 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.
- Payability is as follows; Zn 84%, Pb 94% and Ag 47%
- The NSR value was calculated using the following formula:  

$$\text{NSR} = \text{Zn}(\%) * \text{US} \$16.23 + \text{Ag}(\text{g/t}) * \text{US} \$0.27 + \text{Pb}(\%) * \text{US} \$10.20$$
- 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:

- CIM (2014) definitions were followed for Mineral Resources.
- Mineral Resources are reported above a cut-off grade NSR value of US \$60/t.
- 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.
- 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  $\geq$  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  $\geq$  5 and US \$80.94 for blocks with Sn:Cu < 5.
- The NSR value was calculated using the following formulae:  
 If Sn:Cu  $\geq$  5: US \$NSR = Sn(%)\*US \$141.64  
 If Sn:Cu < 5: US \$NSR = Sn(%)\*US \$80.94
- 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)
<b>Indicated</b>			
High Grade Lenses	2.9	112	10.4
Low Grade Halo	4.5	27	3.9
<b>Total Indicated</b>	<b>7.4</b>	<b>60</b>	<b>14.3</b>
<b>Inferred</b>			
High Grade Lenses	2.2	105	7.5
Low Grade Halo	6.2	28	5.7
<b>Total Inferred</b>	<b>8.5</b>	<b>48</b>	<b>13.2</b>

Notes:

- CIM (2014) definitions were followed for Mineral Resources.
- 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.
- The cut-off grade is based on a price of US \$24/oz Ag.
- Numbers may not add due to rounding.

## 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,		
	2022 \$	2021 \$	2020 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(2,205,835)	(1,628,842)	(3,054,558)
Other items	1,289,388	(425,802)	371,289
Net loss	(916,447)	(2,054,644)	(2,683,269)
Loss per share - basic and diluted	(0.00)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil
<b>Balance Sheet:</b>			
Working capital	17,301,153	11,195,041	20,160,588
Total assets	77,895,012	67,107,503	69,306,911
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 2022				Fiscal 2021			
	Sept. 30 2022 \$	Jun. 30 2022 \$	Mar. 31 2022 \$	Dec. 31 2021 \$	Sept. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(404,374)	(979,883)	(430,860)	(390,718)	(371,850)	(410,860)	(479,598)	(366,534)
Other items	1,307,719	320,061	(269,170)	(69,222)	297,475	(133,935)	(87,637)	(501,705)
Net income (loss) and comprehensive income (loss)	903,345	(659,822)	(700,030)	(459,940)	(74,375)	(544,795)	(567,235)	(868,239)
Income (loss) per share -basic and diluted	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	17,301,153	18,519,652	8,487,058	9,844,900	11,195,041	12,398,568	14,526,894	16,838,169
Total assets	77,895,012	76,712,115	65,768,152	66,563,265	67,107,503	67,200,711	67,524,274	68,798,852
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended September 30, 2022 Compared to Three Months Ended June 30, 2022*

During the three months ended September 30, 2022 (“Q4”) the Company reported a net income of \$903,345 compared to a net loss of \$659,822 for the three months ended June 30, 2022 (“Q3”), a fluctuation of \$1,563,167, primarily attributed to the recognition of a foreign exchange gain of \$1,148,250 in Q4 compared to a foreign exchange gain of \$290,638 in Q3, resulting in a fluctuation of \$857,612 and a \$575,509 decrease in general and administrative expenses from, \$979,883 during Q3 to \$404,374 during Q4. In addition during Q3 the Company recognized share-based compensation of \$602,000 on the granting of 8,600,000 share options (none granted in Q4). The Company also earned interest income of \$99,019 in Q4 compared to \$29,423 in Q3 due to increasing interest rates generated and an increase in cash held on deposit.

### *Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021*

During the three months ended September 30, 2022 (the “Q4/2022”) the Company reported a net income of \$903,345 compared to a net loss of \$74,375 for the three months ended September 30, 2021 (the “Q4/2021”), an increase in income of \$977,720, mainly attributed to the recognition of a foreign exchange gain of \$290,305 in Q4/2021 compared to a foreign exchange gain of \$1,208,700 in Q4/2022, a fluctuation of \$918,395, due to the fluctuation of exchange rates.

### *Year Ended September 30, 2022 Compared to Year Ended September 30, 2021*

During the year ended September 30, 2022 (“fiscal 2022”), the Company reported a net loss of \$916,447 compared to a net loss of \$2,054,644 for the year ended September 30, 2021 (“fiscal 2021”), a decrease in loss of \$1,138,197. The decrease in loss was primarily due to a \$1,673,787 fluctuation in foreign exchange, from a foreign exchange loss of \$525,537 in fiscal 2021 to a foreign exchange gain of \$1,148,250 in fiscal 2022, partially offset by a \$576,993 increase in general and administrative expenses, from \$1,628,842 during fiscal 2021 to \$2,205,835 during fiscal 2022. In addition, there was a \$41,403 increase in interest income, from \$99,735 during fiscal 2021 to \$141,138 during fiscal 2022.

Significant fluctuations in expenses were as follows:

- (i) during fiscal 2022 the Company recorded share-based compensation expense of \$602,000 on the granting and vesting of share options compared to \$40,085 during fiscal 2021;
- (ii) during fiscal 2022 the Company incurred \$658,523 (2021 - \$574,272) for directors and officers compensation. See also “Transactions with Related Parties”;
- (iii) legal expenses decreased by \$44,543 during fiscal 2022 to \$58,015, compared to \$102,558 during fiscal 2021 in which the Company incurred legal services to review electrical power generation opportunities, preparing IVA rebate submissions, preparation of agreements to the Silva Project and various legal opinions;
- (iv) during fiscal 2022 the Company incurred \$33,613 to attend investment conferences, compared to \$19,392 during fiscal 2021, due to resumption of meetings and conventions on the easing of COVID-19 travel restrictions;
- (v) during fiscal 2022 the Company incurred \$98,190 for corporate travel compared to \$12,370 during fiscal 2021. During fiscal 2021 travel was limited due to COVID-19 restrictions; and
- (vi) during fiscal 2021 the Company paid \$36,000 for investor relations services. The Company mutually terminated the services effective September 30, 2021 and no such services were provided in fiscal 2022.

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 held on deposit and increases in interest rates in fiscal 2022. During the fiscal 2022 the Company recorded interest income of \$141,138 compared to \$99,735 during fiscal 2021.

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

	As at September 30, 2022			As at September 30, 2021		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Ayawilca	2,182,918	53,366,738	55,549,656	1,973,287	49,562,969	51,536,256
Silvia	456,849	142,417	599,266	329,924	31,497	361,421
Other	20,038	3,730,772	3,750,810	-	3,369,316	3,369,316
	<u>2,659,805</u>	<u>57,239,927</u>	<u>59,899,732</u>	<u>2,303,211</u>	<u>52,963,782</u>	<u>55,266,993</u>

Exploration and evaluation activities incurred during fiscal 2022 and fiscal 2021 are as follows:

	Ayawilca \$	Silvia \$	Other \$	Total \$
<b>Balance at September 30, 2020</b>	<u>45,520,088</u>	<u>-</u>	<u>2,797,596</u>	<u>48,317,684</u>
<b>Exploration costs</b>				
Assays	-	10,059	-	10,059
Camp costs	754,731	13,114	-	767,845
Community relations	1,378,131	-	-	1,378,131
Depreciation	11,352	-	-	11,352
Drilling	1,700,246	-	-	1,700,246
Engineering	291,392	-	-	291,392
Environmental	501,151	-	-	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)
	<u>5,742,090</u>	<u>31,497</u>	<u>571,720</u>	<u>6,345,307</u>
<b>Acquisition costs</b>				
Property acquisition payment	-	177,176	-	177,176
Concession payments and related taxes	274,078	128,931	-	403,009
Staking costs	-	23,817	-	23,817
	<u>274,078</u>	<u>329,924</u>	<u>-</u>	<u>604,002</u>
<b>Balance at September 30, 2021</b>	<u>51,536,256</u>	<u>361,421</u>	<u>3,369,316</u>	<u>55,266,993</u>
<b>Exploration costs</b>				
Assays	119,082	-	-	119,082
Camp costs	698,740	-	-	698,740
Community relations	1,005,675	-	-	1,005,675
Depreciation	9,648	-	-	9,648
Drilling	854,229	-	-	854,229
Engineering	30,121	-	-	30,121
Environmental	296,956	-	-	296,956
Geological	526,469	110,920	6,651	644,040
Health and safety	186,380	-	-	186,380
Metallurgical	24,908	-	-	24,908
Software and database management	51,561	-	-	51,561
VAT incurred	-	-	354,805	354,805
	<u>3,803,769</u>	<u>110,920</u>	<u>361,456</u>	<u>4,276,145</u>

	Ayawilca \$	Silvia \$	Other \$	Total \$
<b>Acquisition costs</b>				
Concession payments and related taxes	209,631	126,925	20,038	356,594
<b>Balance at September 30, 2022</b>	<u>55,549,656</u>	<u>599,266</u>	<u>3,750,810</u>	<u>59,899,732</u>

During fiscal 2022 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 \$4,632,739 (2021 - \$6,949,309) for exploration expenditures and acquisition costs, comprising \$4,013,400 (2021 - \$6,016,168) on the Ayawilca Project, \$237,845 (2021 - \$361,421) on the Silvia Project and \$26,689 (2021 - \$nil) on minor concessions in Central Peru. In addition, the Company incurred \$354,805 (2021 - \$706,488) for VAT tax and during fiscal 2021 the Company recovered VAT of \$134,768. As at September 30, 2022 the Company has a VAT balance of \$3,724,121(2021 - \$3,369,316). See also “Exploration Projects, Peru”.

### ***Financings***

During fiscal 2022 the Company completed an equity subscription agreement with Nexa Resources S.A. (“Nexa”) and Compañía de Minas Buenaventura SAA (“Buenaventura”) under which Nexa subscribed for 40,792,541 common shares of the Company and Buenaventura subscribed for 9,770,669 common shares of the Company, for a total of 50,563,210 common shares at \$0.22 per share, for gross proceeds of \$11,123,906. See also “Company Overview”.

The Company did not conduct any equity financings during fiscal 2021.

### **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, 2022 the Company had working capital in the amount of \$17,301,153. 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, 2022 annual consolidated financial statements.

## Changes in Accounting Policies

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the September 30, 2022 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 2022 and 2021 periods 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 former VPE (Mr. Alvaro Fernandez-Baca) as follows:

	2022 \$	2021 \$
Management fees - Dr. Carman	309,996	309,996
Management fees - Mr. Fernandez-Baca <sup>(1)</sup>	176,277	206,190
Professional fees - Mr. DeMare	<u>53,100</u>	<u>36,000</u>
	<u>539,373</u>	<u>552,186</u>

(1) Mr. Fernandez-Baca resigned as VPE of the Company effective November 30, 2022.

During fiscal 2022 the Company expensed \$508,523 (2021 - \$428,472) to directors and officers compensation and capitalized \$30,850 (2021 - \$123,714) of compensation paid to the former VPE to exploration and evaluation assets.

As at September 30, 2022 \$10,000 (2021 - \$3,000) remained unpaid.

During fiscal 2022 the Company also recorded \$210,000 (2021 - \$nil) share-based compensation for share options granted to key management personnel as follows:

	2022 \$	2021 \$
Dr. Carman - share based compensation	98,000	-
Mr. Fernandez-Baca - share based compensation	49,000	-
Mr. DeMare - share based compensation	<u>63,000</u>	<u>-</u>
	<u>210,000</u>	<u>-</u>

The Company has a management agreement with its CEO which provides that in the event the CEO's services are terminated without cause or upon a change of control of the Company, a termination payment is payable. If the termination had occurred on September 30, 2022 the amount payable under the agreement would be approximately \$620,000.

### (b) *Transactions with Other Related Parties*

(i) During fiscal 2022 and 2021 the following amounts were incurred for professional services provided by non-management directors of the Company (Ben McKeown, Mary Little, Raul Benavides, Pieter Britz, and Jones Belther) and the Corporate Secretary (Mariana Bermudez):

	2022 \$	2021 \$
Professional fees - Mr. McKeown	48,000	48,000
Professional fees - Ms. Little	30,000	30,000
Professional fees - Mr. Benavides	30,000	30,000
Professional fees - Mr. Britz	-	-

	2022 \$	2021 \$
Professional fees - Mr. Belther <sup>(1)</sup>	-	-
Professional fees - Ms. Bermudez	42,000	37,800
	<u>150,000</u>	<u>145,800</u>

(1) Appointed as director on May 31, 2022

As at September 30, 2022 \$nil (2021 - \$3,500) remained unpaid.

During fiscal 2022 the Company also recorded \$192,500 (2021 - \$nil) share-based compensation for share options granted to its non-management directors and the Corporate Secretary personnel as follows:

	2022 \$	2021 \$
Mr. McKeown - share based compensation	59,500	-
Ms. Little - share based compensation	49,000	-
Mr. Benavides - share based compensation	49,000	-
Mr. Britz - share based compensation	-	-
Mr. Belther - share based compensation	-	-
Ms. Bermudez - share based compensation	35,000	-
	<u>192,500</u>	<u>-</u>

- (ii) During fiscal 2022 the Company incurred a total of \$58,550 (2021 - \$54,000) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$4,020 (2021- \$4,020) for rent. As at September 30, 2022 \$4,505 (2021 - \$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 restrictions, 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 25, 2023, there were 391,303,927 issued common shares and 16,732,500 share options outstanding, at exercise prices ranging from \$0.25 to \$0.35 per share.