
TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
DECEMBER 31, 2023

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

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

	Note	December 31, 2023 \$	September 30, 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,685,549	7,484,845
GST receivable		18,120	16,020
Prepaid expenses		<u>70,092</u>	<u>84,811</u>
Total current assets		<u>5,773,761</u>	<u>7,585,676</u>
Non-current assets			
Property, plant and equipment	4	50,822	55,373
Exploration and evaluation assets	5	<u>70,099,122</u>	<u>68,828,893</u>
Total non-current assets		<u>70,149,944</u>	<u>68,884,266</u>
TOTAL ASSETS		<u>75,923,705</u>	<u>76,469,942</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		<u>567,176</u>	<u>656,902</u>
TOTAL LIABILITIES		<u>567,176</u>	<u>656,902</u>
SHAREHOLDERS' EQUITY			
Share capital	6	104,523,745	104,523,745
Share-based payments reserve	6	7,813,618	7,813,618
Deficit		<u>(36,980,834)</u>	<u>(36,524,323)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>75,356,529</u>	<u>75,813,040</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>75,923,705</u>	<u>76,469,942</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on February 29, 2024 and are signed on its behalf by:

/s/ Graham Carman
Graham Carman
Director

/s/ Nick DeMare
Nick DeMare
Director

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

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

	Note	Three Months Ended December 31	
		2023 \$	2022 \$
Expenses			
Accounting and administration	7(b)(ii)	21,843	18,625
Audit		58,650	29,900
Corporate development		66,854	44,959
Director and officer compensation	7	132,999	145,499
Investment conferences		6,406	44,434
Legal		31,240	11,804
Office		30,578	27,037
Regulatory		14,428	13,954
Rent		16,385	12,612
Salaries and benefits		23,213	29,487
Shareholder costs		3,999	3,999
Transfer agent		1,209	981
Travel and related		17,155	19,150
		<u>424,959</u>	<u>402,441</u>
Loss before other items		<u>(424,959)</u>	<u>(402,441)</u>
Other items			
Interest income		87,872	149,375
Foreign exchange		(119,424)	(215,989)
		<u>(31,552)</u>	<u>(66,614)</u>
Net loss and comprehensive loss for the period		<u>(456,511)</u>	<u>(469,055)</u>
Loss per share - basic and diluted		<u>\$(0.00)</u>	<u>\$(0.00)</u>
Weighted average number of common shares outstanding - basic and diluted		<u>391,303,927</u>	<u>391,303,927</u>

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

TINKA RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2023				
	Share Capital				
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at September 30, 2023	391,303,927	104,523,745	7,813,618	(36,524,323)	75,813,040
Net loss for the period	-	-	-	(456,511)	(456,511)
Balance at December 31, 2023	<u>391,303,927</u>	<u>104,523,745</u>	<u>7,813,618</u>	<u>(36,980,834)</u>	<u>75,356,529</u>

	Three Months Ended December 31, 2022				
	Share Capital				
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at September 30, 2022	391,303,927	104,523,745	7,778,618	(35,059,990)	77,242,373
Net loss for the period	-	-	-	(469,055)	(469,055)
Balance at December 31, 2022	<u>391,303,927</u>	<u>104,523,745</u>	<u>7,778,618</u>	<u>(35,529,045)</u>	<u>76,773,318</u>

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

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

	Three Months Ended December 31,	
	2023 \$	2022 \$
Operating activities		
Net loss for the period	(456,511)	(469,055)
Changes in non-cash working capital items:		
GST receivable	(2,100)	4,213
Prepaid expenses	14,719	77,776
Accounts payable and accrued liabilities	86,178	(1,502)
Net cash used in operating activities	<u>(357,714)</u>	<u>(388,568)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(1,441,582)	(2,616,346)
Additions to property, plant and equipment	-	(5,771)
Net cash used in investing activities	<u>(1,441,582)</u>	<u>(2,622,117)</u>
Net change in cash	(1,799,296)	(3,010,685)
Cash and cash equivalents at beginning of period	<u>7,484,845</u>	<u>17,819,740</u>
Cash and cash equivalents at end of period	<u>5,685,549</u>	<u>14,809,055</u>
Cash and cash equivalents comprises:		
Cash and cash equivalents	5,685,549	6,682,655
Restricted cash	-	8,126,400
	<u>5,685,549</u>	<u>14,809,055</u>

Supplemental cash flow information - See Note 10

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

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

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

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

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.

As at December 31, 2023 the Company had working capital in the amount of \$5,206,585. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended September 30, 2023.

Basis of Measurement

The Company’s condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian Dollars unless otherwise stated.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

3. Subsidiaries

The subsidiaries of the Company are as follows:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Darwin Resources Corp.	Canada	100%
Tinka Resources S.A.C.	Peru	100%
Darwin Peru S.A.C.	Peru	100%
Cia. Electrica Chaupihuaranga S.A.C.	Peru	100%

4. Property, Plant and Equipment

	Office Furniture and Equipment \$
Cost:	
Balance at September 30, 2022	180,219
Additions	<u>26,829</u>
Balance at September 30, 2023	207,048
Write-off	<u>(3,465)</u>
Balance at December 31, 2023	<u>203,583</u>
Accumulated Depreciation:	
Balance at September 30, 2022	(138,731)
Depreciation	<u>(12,944)</u>
Balance at September 30, 2023	(151,675)
Depreciation	(4,551)
Write-off	<u>3,465</u>
Balance at December 31, 2023	<u>(152,761)</u>
Carrying Value:	
Balance at September 30, 2023	<u>55,373</u>
Balance at December 31, 2023	<u>50,822</u>

5. Exploration and Evaluation Assets

	<u>December 31, 2023</u>			<u>September 30, 2023</u>		
	<u>Acquisition Costs \$</u>	<u>Deferred Exploration Costs \$</u>	<u>Total \$</u>	<u>Acquisition Costs \$</u>	<u>Deferred Exploration Costs \$</u>	<u>Total \$</u>
Ayawilca	2,388,255	62,266,066	64,654,321	2,343,943	61,092,421	63,436,364
Silvia	548,289	259,146	807,435	548,289	232,336	780,625
Other	<u>20,038</u>	<u>4,617,328</u>	<u>4,637,366</u>	<u>20,038</u>	<u>4,591,866</u>	<u>4,611,904</u>
	<u>2,956,582</u>	<u>67,142,540</u>	<u>70,099,122</u>	<u>2,912,270</u>	<u>65,916,623</u>	<u>68,828,893</u>

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

	Ayawilca \$	Silvia \$	Other \$	Total \$
Balance at September 30, 2022	<u>55,549,656</u>	<u>599,266</u>	<u>3,750,810</u>	<u>59,899,732</u>
Exploration costs				
Assays	76,287	-	-	76,287
Camp costs	989,274	-	-	989,274
Community relations	1,870,383	14,331	-	1,884,714
Depreciation	12,944	-	-	12,944
Drilling	2,870,570	-	-	2,870,570
Engineering	190,954	-	-	190,954
Environmental	280,218	-	-	280,218
Geological	1,197,510	75,588	-	1,273,098
Health and safety	204,246	-	-	204,246
Software and database management	33,297	-	-	33,297
VAT incurred	-	-	861,094	861,094
	<u>7,725,683</u>	<u>89,919</u>	<u>861,094</u>	<u>8,676,696</u>
Acquisition costs				
Concession payments and related taxes	<u>161,025</u>	<u>91,440</u>	<u>-</u>	<u>252,465</u>
Balance at September 30, 2023	<u>63,436,364</u>	<u>780,625</u>	<u>4,611,904</u>	<u>68,828,893</u>
Exploration costs				
Assays	2,175	-	-	2,175
Camp costs	214,910	-	-	214,910
Community relations	361,482	6,689	-	368,171
Depreciation	4,551	-	-	4,551
Engineering	119,020	-	-	119,020
Environmental	181,314	-	-	181,314
Geological	210,292	20,121	-	230,413
Health and safety	72,898	-	-	72,898
Software and database management	7,003	-	-	7,003
VAT incurred	-	-	73,841	73,841
VAT recovered	-	-	(48,379)	(48,379)
	<u>1,173,645</u>	<u>26,810</u>	<u>25,462</u>	<u>1,225,917</u>
Acquisition costs				
Concession payments and related taxes	<u>44,312</u>	<u>-</u>	<u>-</u>	<u>44,312</u>
Balance at December 31, 2023	<u>64,654,321</u>	<u>807,435</u>	<u>4,637,366</u>	<u>70,099,122</u>

Ayawilca Project

As at December 31, 2023 the Ayawilca Project comprises mineral claims granted in the Province of Daniel Alcides Carrion, Peru.

The Company is required to issue 500,000 common shares to Sierra Peru Pty Ltd. (“Sierra”) in the event that a positive feasibility study is prepared on the Ayawilca Project. Sierra also retains a right to a 1% net smelter royalty (“NSR”) from any production from certain of the mineral claims that make up the Ayawilca Project. The NSR can be purchased at any time for US \$1,000,000.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

Silvia Project

On June 16, 2021 the Company entered into an acquisition agreement with BHP World Exploration Inc. Sucursal del Peru (“BHP Peru”) in which the Company paid \$177,176 (US \$145,000) and acquired mining claims located in the Huanuco Andean region of central Peru (the “Silvia Project”). BHP Peru retains a right to a 1% NSR on the Silvia Project. The NSR can be repurchased at any time by the Company for US \$8,000,000 on or before July 8, 2036.

Other

As at December 31, 2023 the Company owns mining concessions at three exploration target areas in Central Peru.

Expenditures incurred by the Company in Peru are subject to Peruvian Value Added Tax (“VAT”). The VAT is included in exploration and evaluation assets as incurred. Under Peruvian law VAT paid can be used in the future to offset amounts resulting from VAT charged on sales. Under certain circumstances and subject to approval from tax authorities a Company can also apply for early refund of VAT prior to generating sales. As at December 31, 2023 the Company has a VAT balance of \$4,610,677 (September 30, 2023 - \$4,585,215).

6. Share Capital

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

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

(b) ***Equity Financings***

Three Months ended December 31, 2023

No financings were conducted during the three months ended December 31, 2023

Fiscal 2023

No financings were conducted during fiscal 2023.

(c) ***Share Option Plan***

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

During the three months ended December 31, 2023 and 2022 the Company did not grant any share purchase options.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

A summary of the Company's share options at December 31, 2023 and 2022 and the changes for the three months ended on those dates, is as follows:

	2023		2022	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning and end of period	<u>15,497,500</u>	0.25	<u>16,732,500</u>	0.25

The following table summarizes information about the share options outstanding and exercisable at December 31, 2023:

Number	Exercise Price \$	Expiry Date
6,897,500	0.25	January 23, 2025 *
7,900,000	0.25	June 28, 2026
<u>700,000</u>	0.25	May 17, 2027
<u>15,497,500</u>		

* Share options to purchase 70,000 common shares were cancelled on January 29, 2024.

7. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) *Transactions with Key Management Personnel*

During the three months ended December 31, 2023 and 2022 the following amounts were incurred with respect to the Company's Chief Executive Officer ("CEO"), former Vice-President of Exploration ("former VPE") and Chief Financial Officer ("CFO") as follows:

	2023 \$	2022 \$
Management fees - CEO	77,499	77,499
Management fees - former VPE	-	20,000
Professional fees - CFO	<u>10,500</u>	<u>10,500</u>
	<u>87,999</u>	<u>107,999</u>

During the three months ended December 31, 2023 the Company expensed \$87,999 (2022 - \$107,999) to directors and officers compensation.

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 December 31, 2023 the amount payable under the agreement would be approximately \$620,000.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

7. Related Party Disclosures (continued)

(b) *Transactions with Other Related Parties*

- (i) During the three months ended December 31, 2023 the Company incurred \$45,000 (2022 - \$37,500) compensation with respect to the Company's non-management directors and the corporate secretary of the Company. As at December 31, 2023 \$nil (September 30, 2023 - \$34,500) remained unpaid and has been included in accounts payable and accrued liabilities.
- (ii) During the three months ended December 31, 2023 the Company incurred a total of \$11,500 (2022 - \$11,200) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO, for accounting and administrative services provided by Chase personnel, excluding the CFO, and \$1,005 (2022 - \$1,005) for rent. As at December 31, 2023 \$5,505 (September 30, 2023 - \$4,505) remained unpaid and has been included in accounts payable and accrued liabilities.

8. Segmented Information

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

	December 31, 2023		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	5,679,287	94,474	5,773,761
Property, plant and equipment	-	50,822	50,822
Exploration and evaluation assets	-	70,099,122	70,099,122
	<u>5,679,287</u>	<u>70,244,418</u>	<u>75,923,705</u>
	September 30, 2023		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	7,412,317	173,359	7,585,676
Property, plant and equipment	-	55,373	55,373
Exploration and evaluation assets	-	68,828,893	68,828,893
	<u>7,412,317</u>	<u>69,057,625</u>	<u>76,469,942</u>

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

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

Financial Instrument	Category	December 31, 2023 \$	September 30, 2023 \$
Cash and cash equivalents	FVTPL	5,685,549	7,484,845
Accounts payable and accrued liabilities	Amortized cost	(567,176)	(656,902)

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

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

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

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

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company’s cash and cash equivalents and restricted cash under the fair value hierarchy are measured using Level 1 inputs.

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

Credit Risk

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

Liquidity Risk

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

	Contractual Maturity Analysis at December 31, 2023				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	5,685,549	-	-	-	5,685,549
Accounts payable and accrued liabilities	(567,176)	-	-	-	(567,176)

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at September 30, 2023				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	7,484,845	-	-	-	7,484,845
Accounts payable and accrued liabilities	(656,902)	-	-	-	(656,902)

Market Risk

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

(a) Interest Rate Risk

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

(b) Foreign Currency Risk

The Company has operations in Canada and Peru which are subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Peruvian Nuevo Soles and the fluctuation of the Canadian Dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company also maintains a US Dollar bank account with a Canadian bank. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At December 31, 2023, 1 Canadian Dollar was equal to 2.78 Peruvian Nuevo Soles and 0.76 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN \$ Equivalent
Cash and cash equivalents	201,937	4,203,023	5,602,932
Accounts payable and accrued liabilities	<u>(1,120,129)</u>	<u>-</u>	<u>(402,924)</u>
	<u>(918,192)</u>	<u>4,203,023</u>	<u>5,200,008</u>

Based on the net exposures as of December 31, 2023 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Peruvian Nuevo Soles and US Dollar would result in the Company's net loss being approximately \$551,000 higher or lower.

Capital Management

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

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023
(Unaudited - Expressed in Canadian Dollars)

10. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the three months ended December 31, 2023 and 2022 are as follows:

	2023	2022
	\$	\$
Operating activities		
Depreciation	4,551	2,889
Accounts payable and accrued liabilities	<u>175,904</u>	<u>75,165</u>
	<u>180,455</u>	<u>78,054</u>
Investing activity		
Exploration and evaluation assets	<u>(180,455)</u>	<u>(78,054)</u>