

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2021

This discussion and analysis of financial position and results of operation is prepared as at February 24, 2022 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended December 31, 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; 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 and tin project (collectively, 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 large land package in central Peru for new copper-gold and silver-zinc-lead deposits.

The Ayawilca Project consists of three polymetallic mineral deposits, with separate resource estimations. The PEA has shown that the Zinc Zone deposit has the potential to be a global top-10 zinc producer. The Zinc Zone indicated resource contains 3.0 billion pounds of zinc, 10 million ounces of silver, and 87 million pounds of lead (estimated as at August 30, 2021). An additional inferred resource contains 5.7 billion pounds of zinc, 31 million ounces of silver, 370 million pounds of lead (estimated as at August 30, 2021). The Zinc Zone deposit also remains open in several directions.

The Ayawilca Tin Zone lies beneath, and on the margins of, the Zinc Zone. The Tin Zone inferred resource contains 189 million pounds of tin grading 1.0% tin (estimated as at August 30, 2021). Since early 2021, tin prices have risen significantly due to the shortage of supply and the strong demand for tin in electrical circuits. Tin is the most highly valued of all the base metals - tin is currently more than 4 times the price of copper, and 12 times the price of zinc.

The Colquipucro deposit (also referred to as “Colqui Silver Zone”) is a separate silver resource located approximately 1.5 kilometres from the Ayawilca deposits. The Colqui Silver Zone is a disseminated sandstone-hosted silver deposit lying close to surface, with 14 million ounces of silver in indicated resources and an additional 13 million ounces in inferred resources (estimated as at May 25, 2016).

Sentient Global Resources Fund IV, LP (“Sentient”), an insider of Tinka, holds an aggregate of 73,382,073 common shares of the Company, approximately 21.5% of the Company’s issued and outstanding common shares. Compañía de Minas Buenaventura SAA (“Buenaventura”), also an insider of Tinka, holds an aggregate of 65,843,620 common shares of the Company, approximately 19.3% of the Company’s issued and outstanding common shares. Buenaventura is a Peruvian precious and base metals mining and exploration-development company with numerous mining operations in Peru. Nexa Resources (“Nexa”) holds 30,550,512 common shares, approximately 9.0% of the Company’s issued and outstanding common shares. Nexa 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 near the capital city of Lima.

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 the sharp rise in COVID-19 cases due to the Omicron wave in January 2022, COVID-19 cases in Peru have rapidly decreased. All of Tinka’s employees are fully vaccinated, and Tinka continues to enforce COVID-19 protocols while travelling to and from work, and while working in enclosed offices. COVID-19 has had some impact on the performance of the Company and its Peruvian operations, but 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, owned by 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 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

### *Planned Activities at Ayawilca*

A geological reinterpretation of steep-dipping mineralized zinc-silver-lead structures at South Ayawilca suggests there is potential to expand the high-grade mineralization and potentially discover a feeder structure. Tinka is planning a resource extension drill program during the first half of 2022, including holes to drill test feeder style mineralization. Tinka expects that a resource expansion drill program could commence by Q2, subject to the completion of contracts and finalization of access agreements with the communities which are making good progress.

In light of the recent strong rise in the tin price, the Company is reassessing the metallurgical flowsheet and recovery of the Tin Zone deposit, which was not incorporated into the updated PEA despite the existence of a substantial tin resource (~190 Mlb or ~86,000 tonnes Sn in estimated inferred resources). The Company believes that if a metallurgical breakthrough can be made (e.g., improving the recovery of fine-grained cassiterite), this has the potential to unlock significant value by incorporating tin into a future mine plan.

### *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.
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:  

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

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 immediately adjacent to the Ayawilca Project in Central Peru. Silvia NW appears to be a copper-gold skarn system hosted in limestone of the Cretaceous-age Jumasha Formation. Skarn deposits are copper deposits formed in limestone associated with proximal intrusions, and Peru hosts some of the largest and highest-grade copper

deposits in the world (prime examples being Antamina and Las Bambas). 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 from Area A include:

1. Trench: 46 metres at 1.9 g/t gold & 0.8% copper (2.2% CuEQ\* or 2.9 g/t AuEQ\*), 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 in the core of a narrow valley with widespread shallow scree cover.
3. The footprint of the skarn mineralization at Area A is 550 m (N-S) and 400 m wide (E-W), including areas of scree cover. There remains the possibility that mineralization at Area A could join up with Area B approximately 1 km to the northeast.
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 the Silvia NW prospect (Areas A, B and C). More surface results will be published once these results are finalized, interpreted and fully integrated into our geological model. The Company is moving forward to obtain permits to allow the Company to drill as soon as possible. Additional geophysical prospecting, in particular detailed airborne magnetics, is planned for Q3 2022.

#### *Other Exploration Targets*

The Pampahuasi property is located in the Department of Huancavelica 270 km southeast of Lima. Pampahuasi 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 trending northwest-southeast covering 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 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 unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2022	Fiscal 2021				Fiscal 2020		
	Dec. 31 2021 \$	Sept. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$	Sept. 30 2020 \$	Jun. 30 2020 \$	Mar. 31 2020 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(390,718)	(371,850)	(410,860)	(479,598)	(366,534)	(417,775)	(424,330)	(1,747,654)
Other items	(69,222)	297,475	(133,935)	(87,637)	(501,705)	(3,053)	(567,189)	933,211
Net loss and comprehensive loss	(459,940)	(74,375)	(544,795)	(567,235)	(868,239)	(420,828)	(991,519)	(814,443)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	9,844,900	11,195,041	12,398,568	14,526,894	16,838,169	20,160,588	20,872,770	22,355,992
Total assets	66,563,265	67,107,503	67,200,711	67,524,274	68,798,852	69,306,911	69,307,616	70,211,504
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Results of Operations

#### *Three Months Ended December 31, 2021 Compared to Three Months Ended September 30, 2021*

During the three months ended December 31, 2021 (“Q1/2022”) the Company reported a net loss of \$459,940 compared to a net loss of \$74,375 for the three months ended September 30, 2021 (“Q4/2021”), an increase in loss of \$385,565. The increase in loss was primarily attributed to the recognition of a foreign exchange gain of \$290,305 in Q4/2021 compared to a foreign exchange loss of \$75,579 in Q1/2022, resulting in a fluctuation of \$365,884, and a \$18,868 increase in general and administrative expenses from, \$371,850 during Q4/2021 to \$390,718 during Q1/2022.

#### *Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020*

During Q1/2022 the Company reported a net loss of \$459,940 compared to a net loss of \$868,239 for the three months ended December 31, 2021 (“Q1/2021”), a decrease in loss of \$408,299. The decrease in loss was primarily due to the recognition of a foreign exchange loss of \$542,280 in Q1/2021 compared to a foreign exchange loss of \$75,579 during Q1/2022 and partially offset by a \$24,184 increase in general and administrative expenses, from \$366,534 during Q1/2021 to \$390,718 during Q1/2022 and \$34,218 decrease in interest income, from \$40,575 during Q1/2021 to \$6,357 during Q1/2022.

Significant fluctuations in expenses were as follows:

- (i) during Q1/2021 the Company recorded share-based compensation expense of \$24,202 on the granting and vesting of share options. No share options were granted or vested during Q1/2022;



- (ii) during Q1/2022 the Company incurred \$157,166 (Q1/2021 - \$143,319) for directors and officers compensation. See also “Transactions with Related Parties”;
- (iii) legal expenses decreased by \$20,851 during Q1/2022 to \$5,039, compared to \$25,890 during Q1/2021; and
- (iv) during Q1/2022 the Company incurred \$23,885 to attend local and virtual investment conferences. During Q1/2021 the Company did not attend any investment conferences.

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 Q1/2022 the Company recorded interest income of \$6,357 compared to \$40,575 during Q1/2021.

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

	As at December 31, 2021			As at September 30, 2021		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Colquipucro	402,014	9,322,199	9,724,213	402,014	9,261,472	9,663,486
Ayawilca	1,607,945	40,929,110	42,537,055	1,571,273	40,301,497	41,872,770
Other	329,924	3,569,218	3,899,142	329,924	3,400,813	3,730,737
	<u>2,339,883</u>	<u>53,820,527</u>	<u>56,160,410</u>	<u>2,303,211</u>	<u>52,963,782</u>	<u>55,266,993</u>

Exploration and evaluation activities incurred during Q1/2022 and fiscal 2021 are as follows:

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
<b>Balance at September 30, 2020</b>	<u>9,196,366</u>	<u>36,323,722</u>	<u>2,797,596</u>	<u>48,317,684</u>
<b>Exploration costs</b>				
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)
	<u>467,120</u>	<u>5,274,970</u>	<u>603,217</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>-</u>	<u>274,078</u>	<u>329,924</u>	<u>604,002</u>
<b>Balance at September 30, 2021</b>	<u>9,663,486</u>	<u>41,872,770</u>	<u>3,730,737</u>	<u>55,266,993</u>

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
<b>Exploration costs</b>				
Assays	-	-	17,070	17,070
Camp costs	-	144,452	-	144,452
Community relations	56,358	148,842	-	205,200
Depreciation	-	3,216	-	3,216
Drilling	-	2,995	-	2,995
Engineering	-	26,714	-	26,714
Environmental	711	119,612	38,512	158,835
Geological	-	80,127	-	80,127
Health and safety	3,658	74,973	40,191	118,822
Metallurgical	-	19,968	-	19,968
Software and database management	-	6,714	-	6,714
VAT incurred	-	-	76,632	72,632
	<u>60,727</u>	<u>627,613</u>	<u>168,405</u>	<u>856,745</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	-	36,672	-	36,672
	<u>-</u>	<u>36,672</u>	<u>-</u>	<u>36,672</u>
<b>Balance at December 31, 2021</b>	<u>9,724,213</u>	<u>42,537,055</u>	<u>3,899,142</u>	<u>56,160,410</u>

During Q1/2022 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 \$893,417 (Q1/2021 - \$2,475,626) for exploration expenditures and acquisition costs, comprising \$664,285 (Q1/2021 - \$2,127,524) on the Ayawilca Project, \$60,727 (Q1/2021 - \$105,434) on the Colquipucro Project, \$72,632 (Q1/2021 - \$229,120) for VAT tax in Peru and \$95,773 (Q1/2021 - \$13,548) for staking costs on minor concessions in Central Peru. See also “Exploration Projects, Peru”.

### ***Financings***

During Q1/2022 and Q1/2021 the Company did not conduct any equity financings.

### **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 December 31, 2021 the Company had working capital in the amount of \$9,844,900, including \$7,606,800 (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

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 Q1/2022 and Q1/2021 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:

	Q1/2022 \$	Q1/2021 \$
Management fees - Dr. Carman	77,499	77,499
Management fees - Mr. Fernandez-Baca	51,417	55,650
Professional fees - Mr. DeMare	21,600	9,000
	<u>150,516</u>	<u>142,149</u>

During Q1/2022 the Company expensed \$119,666 (Q1/2021 - \$108,759) to directors and officers compensation and capitalized \$30,850 (Q1/2021 - \$33,390) of compensation paid to the VPE to exploration and evaluation assets.

As at December 31, 2021 \$12,600 (September 30, 2021 - \$3,000) 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 Q1/2022 and Q1/2021 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):

	Q1/2022 \$	Q1/2021 \$
Professional fees - Ms. Little	7,500	7,500
Professional fees - Mr. McKeown	12,000	12,000
Professional fees - Mr. Benavides	7,500	7,500

	Q1/2022 \$	Q1/2021 \$
Professional fees - Ms. Bermudez	<u>10,500</u>	<u>7,560</u>
	<u>37,500</u>	<u>34,560</u>

As at December 31, 2021 \$3,500 (September 30, 2021 - \$3,500) remained unpaid.

- (ii) During Q1/2022 the Company incurred a total of \$12,500 (Q1/2021 - \$18,200) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$1,005 (Q1/2021- \$1,005) for rent. As at December 31, 2021 \$5,835 (September 30, 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 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 February 24, 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.