

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED MARCH 31, 2022

This discussion and analysis of financial position and results of operation is prepared as at May 25, 2022 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended March 31, 2022 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, each 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 S.A. (“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.

On May 24, 2022 the Company entered into an equity subscription agreement (the “Agreement”) with Nexa. Buenaventura has advised it also intends to exercise its pre-existing participation rights on the same terms and conditions.

Under the terms of the Agreement, Nexa will subscribe for 40,792,541 common shares of the Company at a price of \$0.22 per common share (the “Issue Price”) for gross proceeds of \$8,974,359 (the “Nexa Subscription”), with additional pre-existing subscription rights as described below (the “Private Placement”). Nexa currently holds approximately 9% of the Company’s issued and outstanding common shares. Upon closing of the Private Placement, Nexa will hold 71,343,053 common shares of the Company or approximately 18.2% of the Company’s issued and outstanding shares on a non-diluted basis. Buenaventura will subscribe for 9,770,669 common shares in the Private Placement at the Issue Price (the “Buenaventura Subscription”) for additional gross proceeds of \$2,149,547. Upon closing of the Private Placement, Buenaventura will hold 75,614,289 common shares of the Company and will continue to hold approximately 19.3% of the issued and outstanding common shares of the Company on a non-diluted basis. In total, the gross proceeds of the Private Placement will be \$10,943,906. No finder’s fees or commissions are payable on the Private Placement. Subject to receipt of TSXV acceptance, the Private Placement is expected to close on or about May 31, 2022.

Pursuant to the Agreement, proceeds of the Private Placement will be used for development of the Company’s Ayawilca project (including significant exploration and infill drilling programs, metallurgical programs, and other technical and environmental studies), the continued early-stage exploration of the Silvia project, and for working capital and general corporate purposes.

Upon closing of the Nexa Subscription, for so long as Nexa owns 5% or more of the outstanding shares of the Company, on a partially-diluted basis, Nexa will have the right to nominate one individual to the Company’s board of directors. It is anticipated that Mr. Jones Belther, Nexa’s Senior Vice President of Exploration and Technology, will serve as Nexa’s nominee and join the Company’s board on closing of the Private Placement. In the event that Nexa

owns 20% or more of the outstanding shares of the Company, on a partially-diluted basis, Nexa will have the right to nominate two individuals to the Company's board. In addition, Nexa has been granted a pre-emptive right to maintain its percentage interest in the outstanding shares of the Company, in connection with any future issuances of the Company's securities, subject to certain exclusions.

All securities issued in connection with the Private Placement will be subject to a statutory four-month hold period. The Private Placement is subject to certain conditions customary for transactions of this nature, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSXV.

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**

COVID-19 cases in Peru have rapidly decreased since the beginning of 2022. Masks are no longer required to be worn in open areas. Schools and commercial businesses in Lima and around the country are now fully operational. While COVID-19 has had some impact on the performance of the Company and its Peruvian operations, it is not possible to reliably estimate the impact of the COVID-19 pandemic on the financial results of the Company and its operations in future periods.

### **Exploration Projects, Peru**

#### ***Introduction***

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

The Company also holds 44 granted mining concessions covering 34,400 hectares and 2 concession applications for 700 hectares held by Darwin Peru S.A.C. ("Darwin"), a 100%-owned subsidiary of Tinka. The Silvia Project forms the majority of these mining claims, consisting of 35 granted mining concessions for 29,400 hectares in the Department of Huanuco, Central Peru.

#### ***Current Activities***

##### ***Ayawilca Project***

Tinka continues to prepare for an upcoming drill program at Ayawilca, which we expect to commence before the end of Q2 2022. The Company's community relations teams are finalizing access details with the nearby communities. The aim of the drill program will be to expand the Zinc Zone resources in the Central Ayawilca area targeting a potential feeder structure, and to improve the resource confidence at the South and West areas. The Company expects this drilling will ultimately lead to an increase in Measured & Indicated resources of the Zinc Zone. More information on this proposed drill program will be available shortly.

A metallurgical study of the Tin Zone mineralization (physically separated from the Zinc Zone) has commenced, with the aim of improving the tin recovery assumptions. Two composite samples were chosen, which represent typical Tin Zone mineralization at Ayawilca (being pyrrhotite-rich sulphide mineralization containing significant quantities of the tin oxide mineral, cassiterite). Any significant improvement of the tin recoveries has the potential to have a positive impact on future economic studies of the Tin Zone which hosts an inferred resource of 84,000 tonnes of tin grading 1.0% Sn, a deposit that was not economically assessed in the 2021 PEA. The Company expects this metallurgical work to be completed by the end of July 2022.

### *Silvia Project*

In January 2022, the Company announced that copper-gold mineralization at ‘Area A’ at the Silvia NW target had been significantly expanded with the discovery of high-grade copper-gold veins (“Skarn Veins”) in limestone up to 100 metres across-strike from previously sampled mineralized skarn. The footprint of the high grade copper-gold skarn mineralization at Area A now covers an area of 550 metres by 400 metres, including areas of shallow cover.

Skarn Veins sampled at Area A grade up to 1.1% copper and 7.9 g/t gold in 17 grab and rock chip samples over intervals of 0.1 to 0.3 metres - individual samples range between 0.02% and 1.1% copper, and between 0.05 g/t and 7.4 g/t gold. Previous sampling across the original skarn discovery outcrop at Area A included 46 metres at 1.9 g/t gold and 0.8% copper in a continuous trench, including 6 metres at 2.7% copper and 12.8 g/t gold ([see release dated November 10, 2021](#)). A preliminary mineralogical study of a high-grade copper-gold sample from Area A shows that gold occurs as fine-grained native gold up to 20 microns inside of chalcopyrite crystals, while primary copper mineralization occurs almost entirely as chalcopyrite with trace amounts of late covellite.

At Silvia NW, three zones defined as Areas A, B and C define a potential footprint with low grade copper-gold mineralization over an area of approximately 3 x 1 kilometres. The geochemical data are currently being interpreted by Tinka geologists.

### *Planned Activities at Silvia*

Area A at Silvia NW is a high priority drill target that requires drill permitting. Field work has commenced in preparation for an Environmental Impact Declaration (or “DIA”) to obtain the necessary drill permits. Surface results for all targets at Silvia NW including Areas A, B and C will be published once all surface results are finalized, interpreted and integrated into our geological model.

Regional exploration is continuing at the other Silvia properties which comprise of 28,700 hectares of granted mining concessions.

### *Other Exploration Targets*

The Pampahuasi property is located in the Department of Huancavelica 270 km southeast of Lima. Pampahuasi consists of three granted mining concessions for 2,100 hectares and four 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.

### ***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

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

*Aywilca Mineral Resources*

Updated Mineral Resource estimates for the Aywilca 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 Aywilca 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:

- Indicated Zinc Zone Mineral Resource of 19,000,000 tonnes grading 7.2% zinc, 0.2% lead and 16.8 g/t silver containing:
  - 3.0 billion pounds of zinc;
  - 10.3 million ounces of silver; and
  - 87 million pounds of lead.
- Inferred Zinc Zone Mineral Resource of 47,900,000 tonnes grading 5.4% zinc, 0.4% lead & 20.0 g/t silver containing:
  - 5.7 billion pounds of zinc;
  - 30.7 million ounces of silver; and
  - 370 million pounds of lead.
- Inferred Tin Mineral Resource of 8,400,000 tonnes grading 1.0% tin, containing:
  - 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: Aywilca Zinc Zone Mineral Resources as of August 30, 2021  
Tinka Resources Limited – Aywilca 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>

Classification / Zone	Tonnage (Mt)	NSR (\$/t)	Grade			Contained Metal		
			Zn (%)	Ag (g/t)	Pb (%)	Zn (Mlb)	Ag (Moz)	Pb (Mlb)
<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:  

$$\text{NSR} = \text{Zn}(\%) * \text{US} \$16.23 + \text{Ag}(\text{g}/\text{t}) * \text{US} \$0.27 + \text{Pb}(\%) * \text{US} \$10.20$$
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:  $\text{US } \$\text{NSR} = \text{Sn}(\%) * \text{US } \$141.64$   
If Sn:Cu < 5:  $\text{US } \$\text{NSR} = \text{Sn}(\%) * \text{US } \$80.94$
6. If Sn:Cu < 5:  $\text{US } \$\text{NSR} = \text{Sn}(\%) * \text{US } \$80.94$
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.

**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	
	Mar. 31 2022 \$	Dec. 31 2021 \$	Sept. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$	Sept. 30 2020 \$	Jun. 30 2020 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(430,860)	(390,718)	(371,850)	(410,860)	(479,598)	(366,534)	(417,775)	(424,330)
Other items	(269,170)	(69,222)	297,475	(133,935)	(87,637)	(501,705)	(3,053)	(567,189)
Net loss and comprehensive loss	(700,030)	(459,940)	(74,375)	(544,795)	(567,235)	(868,239)	(420,828)	(991,519)
Loss per share								
-basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	8,487,058	9,844,900	11,195,041	12,398,568	14,526,894	16,838,169	20,160,588	20,872,770
Total assets	65,768,152	66,563,265	67,107,503	67,200,711	67,524,274	68,798,852	69,306,911	69,307,616
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended March 31, 2022 Compared to Three Months Ended December 31, 2021*

During the three months ended March 31, 2022 (“Q2”) the Company reported a net loss of \$700,030 compared to a net loss of \$459,940 for the three months ended December 31, 2021 (“Q1”), an increase in loss of \$240,090. The increase in loss was primarily attributed to the recognition of a foreign exchange loss of \$275,509 in Q2 compared to a foreign exchange loss of \$75,579 in Q1, resulting in a fluctuation of \$199,930, and a \$40,043 increase in general and administrative expenses from, \$390,817 during Q1 to \$430,860 during Q2.

### *Six Months Ended March 31, 2022 Compared to Six Months Ended March 31, 2021*

During the six months ended March 31, 2022 (the “2022 period”) the Company reported a net loss of \$1,159,970 compared to a net loss of \$1,435,474 for the six months ended March 31, 2021 (the “2021 period”), a decrease in loss of \$275,504. The decrease in loss was primarily due to the recognition of a foreign exchange fluctuation of \$312,534, from a foreign exchange loss of \$663,622 during the 2021 period compared to a foreign exchange loss of \$351,088 during the 2022 period and a \$24,554 decrease in general and administrative expenses, from \$846,132 during the 2021 period to \$821,578 during the 2022 period. This was partially offset by a \$61,584 decrease in interest income, from \$74,280 during the 2021 period to \$12,696 during the 2022 period.

Significant fluctuations in expenses were as follows:

- (i) during the 2021 period the Company recorded share-based compensation expense of \$26,084 on the vesting of share options. No share options were granted or vested during the 2022 period;
- (ii) during the 2022 period the Company incurred \$313,304 (2021 - \$290,461) for directors and officers compensation. See also “Transactions with Related Parties”;
- (iii) legal expenses decreased by \$37,898 during the 2022 period to \$16,191, compared to \$54,089 during the 2021 period. During the 2021 period the Company incurred legal expenses relating to its listing on the Lima Stock Exchange and review of agreements;
- (iv) during the 2022 period the Company incurred \$23,885 to attend local and virtual investment conferences compared to \$7,953 during the 2021 period;
- (v) during the 2022 period the Company incurred \$28,304 for corporate travel. No corporate travel was incurred in the 2021 period due to COVID-19;
- (vi) during the 2022 period the Company paid \$18,000 for investor relations services. The Company mutually terminated the services effective September 30, 2021.

The Company holds its cash in interest bearing accounts in major financial institutions. The Company has also set aside US \$6,000,000 in deposit with its financial institution. These funds were segregated for the purpose of incurring expenditures for exploration and development on the Company's mineral projects. These funds also bear interest. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the 2022 period the Company recorded interest income of \$12,696 compared to \$74,280 during the 2021 period.

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

	As at March 31, 2022			As at September 30, 2021		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Colquipucro	402,014	9,389,503	9,791,517	402,014	9,261,472	9,663,486
Ayawilca	1,635,700	41,399,195	43,034,895	1,571,273	40,301,497	41,872,770
Other	329,924	3,664,065	3,993,989	329,924	3,400,813	3,730,737
	<u>2,367,638</u>	<u>54,452,763</u>	<u>56,820,401</u>	<u>2,303,211</u>	<u>52,963,782</u>	<u>55,266,993</u>

Exploration and evaluation activities incurred during the 2022 period 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>
<b>Exploration costs</b>				
Camp costs	-	275,058	-	275,058
Community relations	119,851	319,288	730	439,869
Depreciation	-	5,395	-	5,395
Drilling	-	1,039	-	1,039
Engineering	-	28,349	-	28,349
Environmental	729	142,795	-	142,524
Geological	3,702	201,380	127,984	333,066
Health and safety	3,749	85,504	-	89,253
Metallurgical	-	20,464	-	20,464

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
Software and database management	-	18,426	-	18,426
VAT incurred	-	-	134,538	134,538
	<u>128,031</u>	<u>1,097,698</u>	<u>263,252</u>	<u>1,488,981</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	-	64,427	-	64,427
<b>Balance at March 31, 2022</b>	<u>9,791,517</u>	<u>43,034,895</u>	<u>3,993,989</u>	<u>56,820,401</u>

During the 2022 period 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 \$1,553,898 (2021 - \$4,221,739) for exploration expenditures and acquisition costs, comprising \$1,162,615 (2021 - \$3,561,895) on the Ayawilca Project, \$128,031 (2021 - \$153,486) on the Colquipucro Project, \$134,538 (Q1/2021 - \$491,697) for VAT tax in Peru and \$128,714 (Q1/2021 - \$14,661) on minor concessions in Central Peru. See also “Exploration Projects, Peru”.

### **Financings**

During the 2022 and 2021 periods 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 March 31, 2022 the Company had working capital in the amount of \$8,487,058, including \$7,497,600 (US \$6,000,000) set aside by the Company for exploration and development of the Company’s mineral projects. On May 24, 2022 the Company announced that it entered into the Agreement to conduct the Private Placement to raise \$10,943,906. See also “Company Review”. 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 the 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 VPE (Mr. Alvaro Fernandez-Baca) as follows:

	2022 \$	2021 \$
Management fees - Dr. Carman	154,998	154,998
Management fees - Mr. Fernandez-Baca	77,656	109,316
Professional fees - Mr. DeMare	<u>36,500</u>	<u>18,000</u>
	<u>269,154</u>	<u>282,314</u>

During the 2022 period the Company expensed \$238,304 (2021 - \$216,721) to directors and officers compensation and capitalized \$30,850 (2021 - \$65,593) of compensation paid to the VPE to exploration and evaluation assets.

As at March 31, 2022 \$10,000 (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 the 2022 and 2021 periods 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):

	2022 \$	2021 \$
Professional fees - Ms. Little	15,000	15,000
Professional fees - Mr. McKeown	24,000	24,000
Professional fees - Mr. Benavides	15,000	15,000
Professional fees - Ms. Bermudez	<u>21,000</u>	<u>19,740</u>
	<u>75,000</u>	<u>73,740</u>

As at March 31, 2022 \$11,000 (September 30, 2021 - \$3,500) remained unpaid.

(ii) During the 2022 period the Company incurred a total of \$36,500 (2021 - \$34,500) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$2,010 (2021 - \$2,010) for rent. As at March 31, 2022 \$5,670 (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 May 25, 2022, there were 340,740,717 issued common shares and 8,465,000 share options outstanding, at exercise prices ranging from \$0.25 to \$0.35 per share.