
TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
DECEMBER 31, 2022

(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, 2022 \$	September 30, 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		6,682,655	9,595,540
Restricted cash	4	8,126,400	8,224,200
GST receivable		8,813	13,026
Prepaid expenses		<u>43,250</u>	<u>121,026</u>
Total current assets		<u>14,861,118</u>	<u>17,953,792</u>
Non-current assets			
Property, plant and equipment	5	44,370	41,488
Exploration and evaluation assets	6	<u>62,443,802</u>	<u>59,899,732</u>
Total non-current assets		<u>62,488,172</u>	<u>59,941,220</u>
TOTAL ASSETS		<u>77,349,290</u>	<u>77,895,012</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		<u>575,972</u>	<u>652,639</u>
TOTAL LIABILITIES		<u>575,972</u>	<u>652,639</u>
SHAREHOLDERS' EQUITY			
Share capital	7	104,523,745	104,523,745
Share-based payments reserve	7	7,778,618	7,778,618
Deficit		<u>(35,529,045)</u>	<u>(35,059,990)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>76,773,318</u>	<u>77,242,373</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>77,349,290</u>	<u>77,895,012</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on February 28, 2023 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	
		2022 \$	2021 \$
Expenses			
Accounting and administration	8(b)(ii)	18,625	22,953
Audit		29,900	21,900
Corporate development		44,959	13,040
Directors and officers compensation	8	145,499	157,166
General exploration		-	8,639
Investment conferences		44,434	23,885
Legal		11,804	5,039
Office, sundries and miscellaneous		27,037	28,550
Regulatory		13,954	18,149
Rent		12,612	11,390
Salaries and benefits		29,487	74,943
Shareholder costs		3,999	3,249
Transfer agent		981	1,083
Travel and related		19,150	732
		<u>402,441</u>	<u>390,718</u>
Loss before other items		<u>(402,441)</u>	<u>(390,718)</u>
Other items			
Interest income		149,375	6,357
Foreign exchange		<u>(215,989)</u>	<u>(75,579)</u>
		<u>(66,614)</u>	<u>(69,222)</u>
Net loss and comprehensive loss for the period		<u>(469,055)</u>	<u>(459,940)</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>340,740,717</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, 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>

	Three Months Ended December 31, 2021				
	Share Capital				
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at September 30, 2021	340,740,717	93,478,232	7,176,618	(34,143,543)	66,511,307
Net loss for the period	-	-	-	(459,940)	(459,940)
Balance at December 31, 2021	<u>340,740,717</u>	<u>93,478,232</u>	<u>7,176,618</u>	<u>(34,603,483)</u>	<u>66,051,367</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,	
	2022 \$	2021 \$
Operating activities		
Net loss for the period	(469,055)	(459,940)
Changes in non-cash working capital items:		
GST receivable	4,213	1,195
Prepaid expenses	77,776	50,326
Accounts payable and accrued liabilities	<u>(1,502)</u>	<u>21,599</u>
Net cash used in operating activities	<u>(388,568)</u>	<u>(386,820)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(2,616,346)	(996,098)
Additions to property, plant and equipment	<u>(5,771)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,622,117)</u>	<u>(996,098)</u>
Net change in cash	(3,010,685)	(1,382,918)
Cash and cash equivalents at beginning of period	<u>17,819,740</u>	<u>11,686,334</u>
Cash and cash equivalents at end of period	<u>14,809,055</u>	<u>10,303,416</u>
Cash and cash equivalents comprises:		
Cash and cash equivalents	6,682,655	2,696,616
Restricted cash	<u>8,126,400</u>	<u>7,606,800</u>
	<u>14,809,055</u>	<u>10,303,416</u>

Supplemental cash flow information - See Note 11

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, 2022
(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, 2022 the Company had working capital in the amount of \$14,285,146. 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.

In March 2020 the World Health Organization declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel restrictions, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. Mining and exploration activities has, to a large extent, continued uninterrupted. The Company has implemented safety 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.

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, 2022, 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, 2022.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2022
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

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.

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. Restricted Cash

Pursuant to a contractual restriction the Company previously set aside \$8,126,400 (US \$6,000,000) for certain development type costs on the Company's mineral projects. On January 13, 2023 the contractual restriction expired.

5. Property, Plant and Equipment

	Office Furniture and Equipment \$
Cost:	
Balance at September 30, 2021	178,356
Additions	1,863
Balance at September 30, 2022	180,219
Additions	5,771
Balance at December 31, 2022	185,990
Accumulated Depreciation:	
Balance at September 30, 2021	(129,083)
Depreciation	(9,648)
Balance at September 30, 2022	(138,731)
Depreciation	(2,889)
Balance at December 31, 2022	(141,620)
Carrying Value:	
Balance at September 30, 2022	41,488
Balance at December 31, 2022	44,370

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2022
(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

	<u>December 31, 2022</u>			<u>September 30, 2022</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	2,211,413	55,583,194	57,794,607	2,182,918	53,366,738	55,549,656
Silvia	456,849	158,667	615,516	456,849	142,417	599,266
Other	<u>20,038</u>	<u>4,013,641</u>	<u>4,033,679</u>	<u>20,038</u>	<u>3,730,772</u>	<u>3,750,810</u>
	<u>2,688,300</u>	<u>59,755,502</u>	<u>62,443,802</u>	<u>2,659,805</u>	<u>57,239,927</u>	<u>59,899,732</u>

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FOR THE THREE MONTHS ENDED DECEMBER 31, 2022
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6. Exploration and Evaluation Assets (continued)

	Ayawilca \$	Silvia \$	Other \$	Total \$
Balance at September 30, 2021	<u>51,536,256</u>	<u>361,421</u>	<u>3,369,316</u>	<u>55,266,993</u>
Assays	119,082	-	-	119,082
Camp costs	698,740	-	-	698,740
Community relations	1,005,675	-	-	1,005,675
Depreciation	9,648	-	-	9,648
Drilling	854,229	-	-	854,229
Engineering	30,121	-	-	30,121
Environmental	296,956	-	-	296,956
Geological	526,469	110,920	6,651	644,040
Health and safety	186,380	-	-	186,380
Metallurgical	24,908	-	-	24,908
Software and database management	51,561	-	-	51,561
VAT incurred	-	-	354,805	354,805
	<u>3,803,769</u>	<u>110,920</u>	<u>361,456</u>	<u>4,276,145</u>
Acquisition costs				
Concession payments and related taxes	<u>209,631</u>	<u>126,925</u>	<u>20,038</u>	<u>356,594</u>
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	30,284	-	-	30,284
Camp costs	261,635	-	-	261,635
Community relations	534,846	2,169	-	537,015
Depreciation	2,889	-	-	2,889
Drilling	1,032,795	-	-	1,032,795
Engineering	24,630	-	-	24,630
Environmental	28,993	-	-	28,993
Geological	244,453	14,081	-	258,534
Health and safety	47,698	-	-	47,698
Software and database management	8,233	-	-	8,233
VAT incurred	-	-	282,869	282,869
	<u>2,216,456</u>	<u>16,250</u>	<u>282,869</u>	<u>2,515,575</u>
Acquisition costs				
Concession payments and related taxes	<u>28,495</u>	-	-	<u>28,495</u>
Balance at December 31, 2022	<u>57,794,607</u>	<u>615,516</u>	<u>4,033,679</u>	<u>62,443,802</u>

Ayawilca Project

As at December 31, 2022 the Ayawilca Project comprises a total of 59 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 46 of the 59 mineral claims that make up the Ayawilca Project. The NSR can be purchased at any time for US \$1,000,000.

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FOR THE THREE MONTHS ENDED DECEMBER 31, 2022
(Unaudited - Expressed in Canadian Dollars)

6. 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. As at December 31, 2022 the Company holds 28 mining claims on the Silvia Project.

Other

As at December 31, 2022 the Company owns six granted 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, 2022 the Company has a VAT balance of \$4,006,990 (September 30, 2022 - \$3,724,121).

7. 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, 2022

No financings were conducted during the three months ended December 31, 2022.

Fiscal 2022

On May 31, 2022 the Company completed an equity subscription agreement with Nexa Resources S.A. (“Nexa”) and Compañía de Minas Buenaventura SAA (“Buenaventura”) under which Nexa subscribed for 40,792,541 common shares of the Company and Buenaventura subscribed for 9,770,669 common shares of the Company, for a total of 50,563,210 common shares at \$0.22 per share, for gross proceeds of \$11,123,906.

The Company incurred \$78,393 for legal and other costs associated with this financing.

(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, 2022 and 2021 the Company did not grant any share purchase options.

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7. Share Capital (continued)

A summary of the Company's share options at December 31, 2022 and 2021 and the changes for the three months ended on those dates, is as follows:

	2022		2021	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning and end of period	<u>16,732,500</u>	0.25	<u>13,720,000</u>	0.35

The following table summarizes information about the share options outstanding and exercisable at December 31, 2022:

Number	Exercise Price \$	Expiry Date
35,000	0.35	March 8, 2023
1,900,000	0.25	May 31, 2023
6,897,500	0.25	January 23, 2025
<u>7,900,000</u>	0.25	June 28, 2026
<u>16,732,500</u>		

8. 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.

(a) *Transactions with Key Management Personnel*

During the three months ended December 31, 2022 and 2021 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:

	2022 \$	2021 \$
Management fees - CEO	77,499	77,499
Management fees - former VPE	20,000	51,417
Professional fees - CFO	<u>10,500</u>	<u>21,600</u>
	<u>107,999</u>	<u>150,516</u>

During the three months ended December 31, 2022 the Company expensed \$107,999 (2021 - \$119,666) to directors and officers compensation and capitalized \$nil (2021 - \$30,850) of compensation paid to the former VPE to exploration and evaluation assets.

As at December 31, 2022 \$nil (September 30, 2022 - \$10,000) remained unpaid and has been included in accounts payable and accrued liabilities.

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, 2022 the amount payable under the agreement would be approximately \$620,000.

TINKA RESOURCES LIMITED
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8. Related Party Disclosures (continued)

(b) *Transactions with Other Related Parties*

(i) During the three months ended December 31, 2022 and 2021 the following amounts were incurred with respect to the Company's non-management directors and the corporate secretary of the Company:

	2022 \$	2021 \$
Directors and officers compensation	<u>37,500</u>	<u>37,500</u>

(ii) During the three months ended December 31, 2022 the Company incurred a total of \$11,200 (2021 - \$12,500) 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 (2021 - \$1,005) for rent. As at December 31, 2022 \$670 (September 30, 2022 - \$4,505) remained unpaid and has been included in accounts payable and accrued liabilities.

9. 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.

	<u>December 31, 2022</u>		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	14,815,045	46,073	14,861,118
Property, plant and equipment	-	44,370	44,370
Exploration and evaluation assets	-	<u>62,443,802</u>	<u>62,443,802</u>
	<u>14,815,045</u>	<u>62,534,245</u>	<u>77,349,290</u>
	<u>September 30, 2022</u>		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	17,666,973	286,819	17,953,792
Property, plant and equipment	-	41,488	41,488
Exploration and evaluation assets	-	<u>59,899,732</u>	<u>59,899,732</u>
	<u>17,666,973</u>	<u>60,228,039</u>	<u>77,895,012</u>

TINKA RESOURCES LIMITED
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10. 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, 2022 \$	September 30, 2022 \$
Cash and cash equivalents	FVTPL	6,682,655	9,595,540
Restricted cash	FVTPL	8,126,400	8,224,200
Accounts payable and accrued liabilities	Amortized cost	(575,972)	(652,639)

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, 2022				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	6,682,655	-	-	-	6,682,655
Restricted cash	8,126,400	-	-	-	8,126,400
Accounts payable and accrued liabilities	(575,972)	-	-	-	(575,972)

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10. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at September 30, 2022				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	9,595,540	-	-	-	9,595,540
Restricted cash	8,224,200	-	-	-	8,224,200
Accounts payable and accrued liabilities	(652,639)	-	-	-	(652,639)

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, 2022, 1 Canadian Dollar was equal to 2.80 Peruvian Nuevo Soles and 0.74 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN \$ Equivalent
Cash and cash equivalents	97,276	4,724,266	6,418,884
Restricted cash	-	6,000,000	8,126,400
Accounts payable and accrued liabilities	<u>(1,232,469)</u>	<u>(180)</u>	<u>(440,411)</u>
	<u>(1,135,193)</u>	<u>10,724,086</u>	<u>14,104,873</u>

Based on the net exposures as of December 31, 2022 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 \$1,425,000 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, 2022
(Unaudited - Expressed in Canadian Dollars)

11. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the three months ended December 31, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Operating activities		
Depreciation	2,889	3,216
Accounts payable and accrued liabilities	<u>75,165</u>	<u>57,677</u>
	<u>78,054</u>	<u>60,893</u>
Investing activity		
Exploration and evaluation assets	<u>(78,054)</u>	<u>(60,893)</u>