
TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
MARCH 31, 2025

(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	March 31, 2025 \$	September 30, 2024 \$
ASSETS			
Current assets			
Cash		1,889,865	2,076,217
GST receivable		9,397	5,281
Prepaid expenses and other		<u>74,761</u>	<u>135,830</u>
Total current assets		<u>1,974,023</u>	<u>2,217,328</u>
Non-current assets			
Property, plant and equipment	4	37,119	43,351
Exploration and evaluation assets	5	<u>74,015,940</u>	<u>72,767,185</u>
Total non-current assets		<u>74,053,059</u>	<u>72,810,536</u>
TOTAL ASSETS		<u>76,027,082</u>	<u>75,027,864</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		<u>327,796</u>	<u>437,687</u>
TOTAL LIABILITIES		<u>327,796</u>	<u>437,687</u>
SHAREHOLDERS' EQUITY			
Share capital	6	106,233,384	104,523,745
Share-based payments reserve	6	7,813,618	7,813,618
Deficit		<u>(38,347,716)</u>	<u>(37,747,186)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>75,699,286</u>	<u>74,590,177</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>76,027,082</u>	<u>75,027,864</u>

Nature of Operations and Going Concern - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 27, 2025 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 March 31		Six Months Ended March 31	
		2025 \$	2024 \$	2025 \$	2024 \$
Expenses					
Accounting and administration	7(b)(ii)	57,943	40,955	94,112	62,798
Audit		8,416	-	62,000	58,650
Corporate development		26,958	32,245	57,317	99,099
Director and officer compensation	7	70,084	132,999	122,584	265,998
Investment conferences		45,858	7,821	59,613	14,227
Legal		51,317	15,904	85,657	47,144
Office		41,355	27,919	71,845	58,497
Professional fees		4,000	-	20,000	-
Regulatory		17,253	27,248	31,364	41,676
Rent		18,141	16,246	35,822	32,631
Salaries and benefits		45,912	33,103	60,948	56,316
Shareholder costs		6,902	7,695	11,249	11,694
Transfer agent		12,326	9,951	14,243	11,160
Travel and related		19,518	17,521	34,518	34,676
		<u>425,983</u>	<u>369,607</u>	<u>761,272</u>	<u>794,566</u>
Loss before other items		<u>(425,983)</u>	<u>(369,607)</u>	<u>(761,272)</u>	<u>(794,566)</u>
Other items					
Interest income		26,574	66,585	49,480	154,457
Foreign exchange		<u>(14,707)</u>	<u>118,241</u>	<u>111,262</u>	<u>(1,183)</u>
		<u>11,867</u>	<u>184,826</u>	<u>160,742</u>	<u>153,274</u>
Net loss and comprehensive loss for the period		<u>(414,116)</u>	<u>(184,781)</u>	<u>(600,530)</u>	<u>(641,292)</u>
Loss per share - basic and diluted		<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>
Weighted average number of common shares outstanding - basic and diluted		<u>408,696,885</u>	<u>391,303,927</u>	<u>401,449,819</u>	<u>391,303,927</u>

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

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

Six Months Ended March 31, 2025					
Share Capital					
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at September 30, 2024	391,303,927	104,523,745	7,813,618	(37,747,186)	74,590,177
Common shares issued for:					
- private placement	17,392,958	1,739,296	-	-	1,739,296
Share issue costs	-	(29,657)	-	-	(29,657)
Net loss for the period	-	-	-	(600,530)	(600,530)
Balance at March 31, 2025	408,696,885	106,233,384	7,813,618	(38,347,716)	75,699,286
Six Months Ended March 31, 2024					
Share Capital					
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at September 30, 2023	391,303,927	104,523,745	7,813,618	(36,524,323)	75,813,040
Net loss for the period	-	-	-	(641,292)	(641,292)
Balance at March 31, 2024	391,303,927	104,523,745	7,813,618	(37,165,615)	75,171,748

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)

	Six Months Ended March 31,	
	2025 \$	2024 \$
Operating activities		
Net loss for the period	(600,530)	(641,292)
Changes in non-cash working capital items:		
GST receivable	(4,116)	(3,706)
Prepaid expenses	61,069	(47,134)
Accounts payable and accrued liabilities	<u>27,672</u>	<u>48,236</u>
Net cash used in operating activities	<u>(515,905)</u>	<u>(643,896)</u>
Investing activity		
Expenditures on exploration and evaluation assets	<u>(1,380,086)</u>	<u>(2,152,106)</u>
Net cash used in investing activity	<u>(1,380,086)</u>	<u>(2,152,106)</u>
Financing activities		
Issuance of common shares	1,739,296	-
Share issue costs	<u>(29,657)</u>	<u>-</u>
Net cash provided by financing activities	<u>1,709,639</u>	<u>-</u>
Net change in cash	(186,352)	(2,796,002)
Cash at beginning of period	<u>2,076,217</u>	<u>7,484,845</u>
Cash at end of period	<u>1,889,865</u>	<u>4,688,843</u>

Supplemental cash flow information - see Note 10

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

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2025
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

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 Lima Stock Exchange under the symbol “TK”, on the OTCQB under the symbol “TKRFF” and on the Frankfurt Exchange under the symbol “TLD”. In June 2025 the Company will de-list from the Lima Stock Exchange. 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 March 31, 2025 the Company had working capital in the amount of \$1,646,227. 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. Management considers that the Company will need to raise additional capital from the sale of common shares or other equity or debt instruments to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months. The Company also 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. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its operations or obtain financing at unfavourable terms. The material uncertainty may cast significant doubt about the Company’s ability to continue as a going concern. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities to be restated on a liquidation basis which would differ significantly from the going concern basis. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of condensed consolidated interim financial statements, including IAS 34, *Interim Financial Reporting*.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Basis of Measurement

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

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2025
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Subsidiaries

The subsidiaries of the Company as at March 31, 2025 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%
Tinka Saudi Resource Corp.	Canada	100%

3. Material Accounting Policies

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the consolidated financial statements for the year ended September 30, 2024. Accordingly, they should be read in conjunction with the consolidated financial statements for the year ended September 30, 2024.

Accounting Standards and Interpretations Issued but Not Yet Effective

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company's condensed consolidated interim financial statements.

TINKA RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

4. Property, Plant and Equipment

	Office Furniture and Equipment \$
Cost:	
Balance at September 30, 2023	207,048
Additions	2,522
Write-off	<u>(3,465)</u>
Balance at September 30, 2024 and March 31, 2025	<u>206,105</u>
Accumulated Depreciation:	
Balance at September 30, 2023	(151,675)
Depreciation	(14,544)
Write-off	<u>3,465</u>
Balance at September 30, 2024	(162,754)
Depreciation	<u>(6,232)</u>
Balance at March 31, 2025	<u>(168,986)</u>
Carrying Value:	
Balance at September 30, 2024	<u>43,351</u>
Balance at March 31, 2025	<u>37,119</u>

5. Exploration and Evaluation Assets

	<u>March 31, 2025</u>			<u>September 30, 2024</u>		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Ayawilca	2,551,530	66,461,016	69,012,546	2,509,656	65,152,157	67,661,813
Silvia	500,976	333,114	834,090	500,976	297,264	798,240
Other	<u>24,977</u>	<u>4,144,327</u>	<u>4,169,304</u>	<u>24,977</u>	<u>4,282,155</u>	<u>4,307,132</u>
	<u>3,077,483</u>	<u>70,938,457</u>	<u>74,015,940</u>	<u>3,035,609</u>	<u>69,731,576</u>	<u>72,767,185</u>

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5. Exploration and Evaluation Assets (continued)

	Ayawilca \$	Silvia \$	Other \$	Total \$
Balance at September 30, 2023	<u>63,436,364</u>	<u>780,625</u>	<u>4,611,904</u>	<u>68,828,893</u>
Exploration costs				
Assays	61,539	-	-	61,539
Camp costs	715,819	-	-	715,819
Community relations	1,220,481	9,008	-	1,229,489
Depreciation	14,544	-	-	14,544
Engineering	447,661	-	-	447,661
Environmental	256,605	-	-	256,605
Geological	828,950	55,920	-	884,870
Health and safety	259,465	-	-	259,465
Scoping study	225,716	-	-	225,716
Software and database management	28,956	-	-	28,956
VAT incurred	-	-	221,972	221,972
VAT recovered	-	-	(531,683)	(531,683)
	<u>4,059,736</u>	<u>64,928</u>	<u>(309,711)</u>	<u>3,814,953</u>
Acquisition costs				
Concession payments and related taxes	165,713	(47,313)	4,939	123,339
Balance at September 30, 2024	<u>67,661,813</u>	<u>798,240</u>	<u>4,307,132</u>	<u>72,767,185</u>
Exploration costs				
Camp costs	264,600	-	-	264,600
Community relations	507,288	9,106	-	516,394
Depreciation	6,232	-	-	6,232
Environmental	33,218	-	-	33,218
Geological	422,616	26,744	-	449,360
Health and safety	60,076	-	-	60,076
Software and database management	14,829	-	-	14,829
VAT incurred	-	-	58,108	58,108
VAT recovered	-	-	(195,936)	(195,936)
	<u>1,308,859</u>	<u>35,850</u>	<u>(137,828)</u>	<u>1,206,881</u>
Acquisition costs				
Concession payments and related taxes	41,874	-	-	41,874
Balance at March 31, 2025	<u>69,012,546</u>	<u>834,090</u>	<u>4,169,304</u>	<u>74,015,940</u>

Ayawilca Project

As at March 31, 2025 the Ayawilca Project comprises mineral claims granted in the Province of Daniel Alcides Carrion, Peru.

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

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5. Exploration and Evaluation Assets (continued)

Silvia Project

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

Other

As at March 31, 2025 the Company owns two mining concessions (“Pampahuasi Property”) in the Department of Huancavelica, Peru. As at March 31, 2025 the Company has recorded \$30,096 (September 30, 2024 - \$30,096) for costs incurred on the Pampahuasi Property.

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 March 31, 2025 the Company has a VAT balance of \$4,139,208 (September 30, 2024 - \$4,277,036).

6. Share Capital

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

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

(b) ***Equity Financings***

Six Months Ended March 31, 2025

On December 17, 2024 the Company completed a non-brokered private placement of 17,392,958 units at \$0.10 per unit, for total proceeds of \$1,739,296. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.15 per share or before June 17, 2026.

Directors and officers of the Company purchased a total of 1,700,000 units for \$170,000. In addition:

- (i) Nexa Resources SA, an insider and a major shareholder of the Company, purchased 9,859,155 units for gross proceeds of \$985,915; and
- (ii) Compania de Minas Buenaventura SAA, an insider and a major shareholder of the Company, purchased 5,633,803 units for gross proceeds of \$563,380.

The Company incurred \$29,657 for legal and filing costs associated with this private placement.

Fiscal 2024

No financings were conducted during fiscal 2024.

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6. Share Capital (continued)

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at March 31, 2025 and 2024 and the changes for the six months ended on those dates, is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	-	-
Issued	8,696,478	0.15	-	-
Balance, end of period	8,696,478	0.15	-	-

As at March 31, 2025 warrants to purchase 8,696,478 were outstanding and exercisable at an exercise price of \$0.15 per share expiring June 17, 2026.

(d) ***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. The Plan permits the holder of share options to exercise cashless (net exercise) by surrendering a portion of the underlying share option shares to pay for the exercise cost.

During the six months ended March 31, 2025 and 2024 the Company did not grant any share options.

A summary of the Company's share options at March 31, 2025 and 2024 and the changes for the six months ended on those dates, is as follows:

	2025		2024	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	14,977,500	0.25	15,497,500	0.25
Expired	(6,627,500)	0.25	(70,000)	0.25
Balance, end of period	8,350,000	0.25	15,427,500	0.25

The following table summarizes information about the share options outstanding and exercisable at March 31, 2025:

Number	Exercise Price \$	Expiry Date
7,650,000	0.25	June 28, 2026
700,000	0.25	May 17, 2027
8,350,000		

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7. Related Party Disclosures

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

(a) *Transactions with Key Management Personnel*

During the six months ended March 31, 2025 and 2024 the following amounts were incurred with respect to the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as follows:

	2025 \$	2024 \$
Management fees - CEO	87,834	154,998
Professional fees - CFO	<u>12,000</u>	<u>21,000</u>
	<u>99,834</u>	<u>175,998</u>

The Company has a management agreement with its CEO which provides that in the event the CEO's services are terminated without cause or upon a change of control of the Company, a termination payment is payable. If the termination had occurred on March 31, 2025 the amount payable under the agreement would be approximately \$434,007.

(b) *Transactions with Other Related Parties*

(i) During the six months ended March 31, 2025 the Company incurred \$22,750 (2024 - \$90,000) compensation with respect to the Company's non-management directors and the corporate secretary of the Company.

(ii) During the six months ended March 31, 2025 the Company incurred a total of \$33,950 (2024 - \$31,900) 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 \$2,010 (2024 - \$2,010) for rent. As at March 31, 2025 \$4,505 (September 30, 2024 - \$4,505) remained unpaid and has been included in accounts payable and accrued liabilities.

8. Segmented Information

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

	<u>March 31, 2025</u>		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	1,936,499	37,524	1,974,023
Property, plant and equipment	-	37,119	37,119
Exploration and evaluation assets	<u>-</u>	<u>74,015,940</u>	<u>74,015,940</u>
	<u>1,936,499</u>	<u>74,090,583</u>	<u>76,027,082</u>

TINKA RESOURCES LIMITED
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FOR THE SIX MONTHS ENDED MARCH 31, 2025
(Unaudited - Expressed in Canadian Dollars)

8. Segmented Information (continued)

	September 30, 2024		
	Corporate Canada \$	Mineral Operations Peru \$	Total \$
Current assets	2,067,525	149,803	2,217,328
Property, plant and equipment	-	43,351	43,351
Exploration and evaluation assets	-	72,767,185	72,767,185
	<u>2,067,525</u>	<u>72,960,339</u>	<u>75,027,864</u>

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

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

Financial Instrument	Category	March 31, 2025 \$	September 30, 2024 \$
Cash	FVTPL	1,889,865	2,076,217
Accounts payable and accrued liabilities	Amortized cost	(327,796)	(437,687)

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 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 is remote.

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9. Financial Instruments and Risk Management (continued)

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 March 31, 2025					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,889,865	-	-	-	1,889,865
Accounts payable and accrued liabilities	(327,796)	-	-	-	(327,796)
Contractual Maturity Analysis at September 30, 2024					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	2,076,217	-	-	-	2,076,217
Accounts payable and accrued liabilities	(437,687)	-	-	-	(437,687)

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 March 31, 2025, 1 Canadian Dollar was equal to 2.55 Peruvian Nuevo Soles and 0.70 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN \$ Equivalent
Cash	55,453	1,281,859	1,852,973
Accounts payable and accrued liabilities	(490,391)	-	(192,310)
	<u>(434,938)</u>	<u>1,281,859</u>	<u>1,660,663</u>

Based on the net exposures as of March 31, 2025 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 \$179,000 higher or lower.

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9. Financial Instruments and Risk Management (continued)

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.

10. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the six months ended March 31, 2025 and 2024 are as follows:

	2025 \$	2024 \$
Operating activities		
Depreciation	6,232	7,885
Accounts payable and accrued liabilities	<u>(137,563)</u>	<u>128,864</u>
	<u>(131,331)</u>	<u>136,749</u>
Investing activity		
Exploration and evaluation assets	<u>131,331</u>	<u>(136,749)</u>