TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JUNE 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at August 26, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the nine months ended June 30, 2019 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 annual information form, management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company's website 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

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of base and precious metals mineral properties in Peru with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. The Company's activities have been focused on developing its 100% owned Ayawilca and Colquipucro Properties (collectively the "Ayawilca Project"), located 40 kilometres northwest of Cerro de Pasco, Central Peru. 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 is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") as a Tier 1 issuer, under the symbol "TK", on the Lima Stock Exchange under the symbol "TK", on the Frankfurt Exchange under the symbol "TLD".

During fiscal 2018 the Company conducted equity financings to raise gross proceeds totalling $16,239,496 and received an additional $5,203,154 on the exercises of share options and warrants. During the nine months ended June 30, 2019 a further $393,567 was received on the exercise of warrants and share options. Proceeds from the equity financings and exercises are being used to fund ongoing exploration on the Ayawilca Project and for other corporate purposes and general working capital. See also "Results of Operations - Financings" and "Financial Condition/Capital Resources".

On July 2, 2019 the Company announced the results of the Preliminary Economic Assessment ("PEA") prepared for the Ayawilca Project and on August 15, 2019 the Company filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the PEA. See "Exploration Project, Peru".

Current Directors and Officers

As at the date of this MD&A, the Company's Directors and Officers were as follows:

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
Mary Little	- Director
Pieter Britz	- Director
Mariana Bermudez	- Corporate Secretary

Exploration Projects, Peru

Introduction

As at the date of this MD&A, Tinka holds 100% ownership of 59 granted mining concessions covering 16,917 hectares at the Company's flagship Ayawilca Project in the Department of Pasco, Central Peru. The Ayawilca Project is located 200 km northeast of Lima and 40 km northwest of Cerro de Pasco, a world-class carbonate replacement deposit ("CRD") mined for silver, zinc, lead and copper in both historic and recent times.

The key asset at Ayawilca is the "Zinc Zone" which hosts a CRD-style sulphide deposit of zinc, silver, lead and indium. The Company has drilled more than 70,000 metres at Ayawilca since the first zinc discovery in 2012, and has identified a large zinc-rich resource. The Company announced a PEA for the Zinc Zone on July 2, 2019, based on a 5,000 tonnes per day underground mining operation. Results of the PEA are highlighted in the section below.

Zinc is an important globally traded base metal used predominantly in the rust prevention of steel (galvanization). Apart from the Zinc Zone, the Ayawilca Project also hosts significant tin ("Sn") mineralization within the Tin Zone resource, which is physically separated from the zinc mineralization. Tin is a high value base metal used mostly in solders and alloys. A third, potentially-open pittable resource at the Ayawilca Project, the Colquipucro Silver Zone (an oxide deposit where silver could be leached), lies 2 km north of the Zinc Zone.

The Zinc Zone is a "blind" sulphide deposit lying at depths of between 120 metres to 450 metres from surface. Mineralization occurs in the form of flat-lying stratabound "mantos" typically 5 to 30 metres thick and up to 50 metres thick. Very high-grade zones grading >12% zinc can occur over vertical thicknesses of between 1 to 20 metres. At West and South Ayawilca, mantos are stacked one on top of each other, where mineralization can be almost continuous over vertical thicknesses of 100 to 150 metres. Mantos at Central and East Ayawilca are typically narrower and slightly lower in zinc grade, although individual mantos can be horizontally-continuous over hundreds of metres. At Ayawilca, the zinc occurs mostly as iron-rich sphalerite ('marmatite') accompanied with low iron sphalerite, pyrite and/or magnetite with minor pyrrhotite, galena, arsenopyrite, and chalcopyrite. Zinc mineralization is predominantly hosted by the Pucara Group limestone, a Triassic-Jurassic limestone unit between 150 to 250 metres thick, which in the area of the Zinc Zone does not outcrop.

The limestone is unconformably overlain by Cretaceous Goyllarisguizga ("Goyllar") Group sandstones which outcrop over the area of the mineral resources. Goyllar Group is comprised of quartz-rich sandstones, siltstones and conglomerates. During formation of the zinc deposit, the Goyllar Group sandstone acted as an impermeable "seal" to the mineralization, the key reason as to why Ayawilca was not discovered until recent times. Important fault structures include pre-mineral low thrusts which acted as conduits to the mineralization, and post-mineral steep faults which has dislocated parts of the mineralization at South and West Ayawilca.

The Colquipucro Silver Zone deposit was mined at a small scale in historic times for lead and silver. Mineralization, now oxidised, is hosted by parallel east-west trending, steeply north-dipping iron-manganese fractures in the Goyllar Group sandstone. Silver mineralization occurs from surface to a depth of about 80 metres associated with iron oxides such as jarosite. Tinka drilled 9,003 metres in 50 holes at Colquipucro between 1996 and 2014. No drilling has been carried out at the Colquipucro Silver Zone since 2014, although a few zinc exploration holes were drilled outside of the resource area during 2015-2018.

Preliminary Economic Assessment – Released July 2, 2019

A PEA for the Ayawilca Zinc Zone was announced on July 2, 2019. The PEA provides the initial economic assessment for an underground ramp-access mine development of the Zinc Zone deposit with a 5,000 tonnes per day processing plant. The Tin Zone and the Colquipucro Silver Zone were not considered in the PEA. The PEA was prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") by Amec Foster Wheeler Peru S.A. ("Wood") as principal consultant, Transmin Metallurgical Consultants, and Roscoe Postle Associates Inc. ("RPA").

We encourage readers to review the full NI 43-101 technical report ("the Report") which was filed on August 15, 2019, and can be downloaded under the Company's profile on www.sedar.com or from the Company's website here. The Report is titled *"Ayawilca Polymetallic Project, Department of Pasco, Central Peru - NI 43-101 Technical Report"*.

Key highlights of the PEA are as follows:

1. After-tax net present value "(NPV")$_{8\%}$ of US \$363 million and pre-tax NPV$_{8\%}$ of US \$609 million for the Ayawilca Zinc Zone using metal prices of US\$1.20/lb zinc, US\$18/oz silver, and US\$0.95/lb lead at an NSR cut-off of US \$65 per tonne.
2. Initial Capex of US \$262 million with after-tax IRR of 27.1% and pre-tax IRR of 37.2%.
3. Average life of mine ("LOM") head grades of 6.05% zinc, 18.3 g/t silver, 67.1 g/t indium, and 0.25% lead.
4. Average annual production of approximately 101,000 tonnes of zinc recovered in concentrate and approximately 906,000 ounces of silver in a silver-lead concentrate.
5. PEA mine plan extracted 72% of the base case Indicated Mineral Resources and 66% of the base case Inferred Mineral Resources over a 21-year mine life.
6. Leverage to zinc price: 20% increase in zinc price increases after-tax NPV$_{8\%}$ to US \$606 million.
7. Numerous opportunities were identified for potential economic improvements & exploration upside.

Note: The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Table 1. Summary of PEA Results

PEA Financial Summary	Pre-tax	After-tax
NPV (8% discount rate)	US $609,000,000	US $363,000,000
Internal Rate of Return ("IRR")	37.2%	27.1%
Payback period	2.2 years	3.1 years
Pre-production capital expenditure (Capex)(1)		US $261,900,000
Sustaining Capex		US $144,600,000
LOM Capex		US $406,500,000
Closure Cost (5.0% of LOM Capex)		US $20,300,000

Notes: (1) Includes contingencies of US $45,000,000.

PEA Operating Summary	
Processing plant throughput	5,000 t/day
Average annual zinc concentrate production	201,500 dmt/year
Average annual lead-silver concentrate production	7,570 dmt/year
Average annual silver in lead concentrate	905,700 oz/year
Net Smelter Return ("NSR") from zinc and lead concentrates	US $4,002,000,000
Mining costs	US $36.66/t
Processing costs	US $6.44/t
General and administration costs	US $5.48/t
Total Operating Costs (Opex)	US $48.57/t

Notes: dmt = dry metric tonne

PEA Metal Prices, Cut-off, and Other Assumptions	Input value
Zinc Price	US $1.20/lb
Lead Price	US $0.95/lb
Silver Price	US $18/oz
NSR Cut-off value	US $65/t
Total material processed (LOM)	38,200,000 tonnes
Mine Life	21.1 years

Metallurgical Testwork Results

On June 5, 2019, the Company announced locked cycle flotation metallurgical test results on composite zinc sulphide samples from Ayawilca. The metallurgical test program was carried out by XPS Consulting and Testwork Services, Ontario, under the project supervision of Transmin Metallurgical Consultants, Lima.

Key highlights of the metallurgical test program are as follows:

1. A flowsheet using a standard flotation process for the zinc mineralization at West and South Ayawilca was successfully developed.
2. Testwork demonstrated that zinc recoveries of 92% at a zinc concentrate grade of 50% can be consistently achieved. Two locked cycle tests were carried out on two different styles of mineralization (a pyrite rich composite sample, and a low pyrite - high silica composite sample, respectively), with both tests producing similar zinc concentrate grade characteristics and zinc recoveries.
3. Potentially deleterious elements in the zinc concentrates (including silica, manganese, cadmium, mercury, and arsenic) were well below standard smelter penalty levels. A small penalty is anticipated for iron content in the concentrate.
4. Indium in the two locked cycle zinc concentrates (719 ppm and 400 ppm, respectively) is high and potentially payable, subject to the smelter and commercial arrangements.

Current Work Program

The Company is continuing its 2019 exploration drill program at the Zinc Zone which began in April, with approximately 3,300 metres drilled to date this year. The focus of the current drill program is to test extensions of the high grade zinc mineralization at the South and West Zones, as well as drill infill holes in some key high grade areas of the Zinc Zone resource.

Hole A19-162 at South Ayawilca intercepted thick zones of zinc mineralization within the existing resource as expected, however the grades were much higher than expected compared with adjacent holes and were approximately double the average grade of the Zinc Zone resource. Hole A19-159 was an infill hole at West Ayawilca and also intersected high grade zinc mineralization.

Highlights of the 2019 drill program so far include:

Hole A19-162:

- 25.4 metres grading 11.6% zinc, 14 g/t silver and 223 g/t indium from 162.6 metres, *including* 10.0 metres grading 17.2% zinc, 14 g/t silver and 363 g/t indium from 176.0 metres; and
- 19.6 metres grading 15.2% zinc, 9 g/t silver and 212 g/t indium from 247.4 metres, *including* 7.2 metres grading 21.8% zinc, 12 g/t silver and 354 g/t indium from 259.8 metres;

Hole A19-159:

- 11.2 metres grading 11.8% zinc and 24 g/t silver from 243.1 metres depth.

Note: True thicknesses of these zinc intersections are estimated to be at least 85% of the downhole thicknesses. Mineralization in the above intervals are relatively flat-dipping replacements hosted by limestone and/or sandstone.

Next Steps

Based on the positive PEA study, the Company intends to continue to advance the Ayawilca Zinc Project towards production. However, the Zinc Zone mineralization has not yet been fully delineated and remains open in several directions. Exploration development drilling is currently ongoing in the South Zone targeting additional high zinc grades.

Next steps at the Ayawilca Zinc Project will include:

1. Continuing exploration drilling with the aim of expanding the Zinc Zone resources, especially in higher grade areas. A program of up to 10,000 metres is budgeted for 2019;
2. Potentially upgrading zinc resources at the project, subject to drill results;
3. Permitting for a Prefeasibility Study infill drill program which is expected to take the remainder of 2019;
4. Optimization studies will be completed to evaluate potential economic improvements, including higher metallurgical recoveries (for both Zn and Pb) and investigating a potential mine with a higher throughput;
5. Conduct additional metallurgical studies on the Tin Zone mineralization in order to more fully evaluate the economic potential of this resource.

Mineral Resources at the Ayawilca Project

On November 26, 2018, the Company announced an updated Mineral Resources estimate for its Ayawilca Zinc and Tin Zones. The Zinc Zone resource base case was used for the PEA.

Part of the Zinc Zone Mineral Resource is classified as Indicated, incorporating a higher-grade portion of the deposit. The Tin Zone and Zinc Zone resources do not overlap. The Mineral Resources are reported above an NSR cut-off value of US $55/tonne, as estimated by RPA of Toronto, Canada.

Tables 2 and 3 highlight the Zinc Zone Indicated and Inferred Mineral Resource sensitivities, respectively, by NSR cut-off grade. Table 4 highlights the base case Zinc Zone resources by area.

Table 2 - Ayawilca Deposit Indicated Mineral Resource - Zinc Zone as of November 26, 2018
Sensitivities at various cut-off grades

NSR $/t Cut-off	Tonnage (Mt)	ZnEq (% grade)	Zinc (%)	Lead (%)	Indium (g/t)	Silver (g/t)
40	13.6	7.4	6.3	0.16	75	15
50	12.4	7.9	6.7	0.17	80	15
55	**11.7**	**8.1**	**6.9**	**0.16**	**84**	**15**
60	10.8	8.5	7.2	0.16	89	16
70	9.4	9.2	7.7	0.15	99	16
80	7.9	10.0	8.4	0.15	111	17

Notes:
1. Base case highlighted with **bold** text.
2. See Table 4 for notes.

Table 3 - Ayawilca Deposit Inferred Mineral Resources - Zinc Zone as of November 26, 2018
Sensitivities at various cut-off grades

NSR $/t Cut-off	Tonnage (Mt)	ZnEq (% grade)	Zinc (%)	Lead (%)	Indium (g/t)	Silver (g/t)
40	52.7	6.2	5.2	0.24	60	17
50	48.1	6.5	5.4	0.24	64	17
55	**45.0**	**6.7**	**5.6**	**0.23**	**67**	**17**
60	41.5	7.0	5.8	0.23	70	18
70	33.9	7.6	6.4	0.22	78	18
80	26.9	8.3	6.9	0.22	86	20

Notes:
1. Base case highlighted with **bold** text.
2. See Table 4 for notes.

Table 4 - Zinc Zone Mineral Resources Base Case at Ayawilca by Area
As of November 26, 2018

Area	Tonnage (Mt)	ZnEq (%)	Zn (%)	Pb (%)	In (g/t)	Ag (g/t)	Zn (Mlb)	Pb (Mlb)	In (kg)	Ag (Moz)
Indicated										
West	7.8	7.7	6.5	0.20	72	15	1,126	35	561	3.9
South	3.9	9.1	7.6	0.09	108	16	652	8	422	2.0
Total Indicated	**11.7**	**8.1**	**6.9**	**0.16**	**84**	**15**	**1,778**	**42**	**983**	**5.8**
Inferred										
West	5.0	7.1	6.4	0.27	34	17	699	30	170	2.8
Central	18.6	5.6	4.6	0.23	62	12	1,884	95	1,153	7.5
East	11.3	5.9	5.0	0.18	56	14	1,238	44	633	5.0
South	10.2	9.6	7.9	0.27	103	30	1,764	61	1,047	9.9
Total Inferred	**45.0**	**6.7**	**5.6**	**0.23**	**67**	**17**	**5,585**	**230**	**3,003**	**25.2**

Notes:
1. The Qualified Person for the estimate is Ms. Dorota El Rassi, P.Eng., an RPA employee. Mineral Resources have an effective date of November 26, 2018.
2. Mineral Resources are reported using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are reported above a cut-off grade of US $55 per tonne NSR value.
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 $1.15/lb Zn, US $300/kg In, US $15/oz Ag, and US$1.00/lb Pb. Metal recovery assumptions were: 90% Zn, 75% In, 60% Ag, and 75% Pb. The NSR value for each block was calculated using the following NSR factors: US $15.34 per % Zn, US$ 4.70 per % Pb, US $0.18 per gram In, and US $0.22 per gram Ag.
5. The NSR value was calculated using the following formula:
   NSR = Zn(%)*US $15.34+Pb(%)*US $4.70+In(g/t)*US $0.18+Ag(g/t)*US $0.22
6. The ZnEq value was calculated using the following formula:
   ZnEq = NSR/US $15.34
7. Numbers may not add due to rounding.

Table 5 - Tin Zone Inferred Mineral Resources at Ayawilca Deposit
As of November 26, 2018

	Tonnage (Mt)	SnEq (%f)	Sn (%)	Cu (%)	Ag (g/t)	Sn (Mlb)	Cu (Mlb)	Ag (Moz)
Tin Zones	14.5	0.70	0.63	0.21	18	201	67	8

Notes:
1. The Qualified Person for the estimate is Ms. Dorota El Rassi, P.Eng., an RPA employee. Mineral Resources have an effective date of November 26, 2018 CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are reported above a cut-off grade of US $55 per tonne NSR value.
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 $9.00/lb Sn, US $2.85/lb Cu, and US $15/oz Ag. Metal recovery assumptions were: 86% Sn, 75% Cu, and 60% Ag. The NSR value for each block was calculated using the following NSR factors: US $155.21 per % Sn, US $37.59 per % Cu, and US $0.22 per gram Ag.
5. The NSR value was calculated using the following formula: US$NSR = Sn(%)*US $155.21+Cu(%)*US $37.59+Ag(g/t)*US $0.22
6. The SnEq value was calculated using the following formula: SnEq = NSR/US $155.21
7. Numbers may not add due to rounding.

The Mineral Resource estimate for the Colquipucro Silver Zone are highlighted in Table 6. The mineral estimate remains unchanged from the effective date of May 25, 2016. The Colquipucro Silver Zone is an oxidized silver deposit which is potentially open pittable.

Table 6 - Mineral Resource Estimate, Colquipucro Silver Zone
As of May 25, 2016

Zone and Confidence Classification	Tonnage (Mt)	Ag (g/t)	Contained Ag (Moz)
Indicated			
High Grade Lenses	2.9	112	10.4
Low Grade Halo	4.5	27	3.9
Total Indicated	**7.4**	**60**	**14.3**
Inferred			
High Grade Lenses	2.2	105	7.5
Low Grade Halo	6.2	28	5.7
Total Inferred	**8.5**	**48**	**13.2**

Notes:
1. The Qualified Person for the estimate is Ms. Dorota El Rassi, P.Eng., an RPA employee. Mineral Resources have an effective date of May 25, 2016.
2. Mineral Resources are reported using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are reported within a preliminary pit-shell and above a reporting cut-off grade of 15 g/t Ag for the Low-Grade Halo and 60 g/t Ag for the High-Grade Lenses.
4. The cut-off grade is based on a silver price of US$24/oz Ag.
5. Numbers may not add due to rounding.

Qualified Person

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 (information not directly related to the Mineral Resource Estimate or the PEA) in this MD&A.

The Mineral Resources disclosed in this MD&A have been estimated by Mrs. Dorota El Rassi, P.Eng., of Roscoe Postle Associates Inc. (RPA). Mrs. El Rassi is a Qualified Persons as defined in NI 43-101 and independent of Tinka.

Mr. William Colquhoun, Principal Metallurgical Consultant with Amec Foster Wheeler (Peru) S.A., a Wood company, a Qualified Person as defined in NI 43-101 and independent of Tinka, is responsible for the results of the PEA contained in this MD&A.

Mr. Edwin Peralta, P.E., a Senior Engineer with Wood Mining and Metals USA, a Qualified Person under NI 43-101 and independent of Tinka, is also responsible for the results of the PEA 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, is responsible for the metallurgical assumptions of the PEA 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 2019			Fiscal 2018				Fiscal 2017
	Jun. 30 2019 $	Mar. 31 2019 $	Dec. 31 2018 $	Sept. 30 2018 $	Jun. 30 2018 $	Mar. 31 2018 $	Dec. 31 2017 $	Sept. 30 2017 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(623,770)	(764,907)	(941,612)	(880,642)	(975,038)	(612,508)	(624,063)	(747,935)
Other items	(24,910)	(76,182)	316,742	(4,758)	129,343	48,553	102,748	(71,246)
Net loss and comprehensive loss	(648,680)	(841,089)	(624,870)	(885,400)	(845,695)	(563,955)	(521,315)	(819,181)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	8,350,122	10,581,942	12,361,332	13,758,538	17,210,606	4,426,093	6,529,914	5,649,150
Total assets	52,696,698	53,132,829	53,709,448	53,647,845	53,562,408	37,909,918	38,192,196	35,055,174
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended June 30, 2019 Compared to Three Months Ended March 31, 2019

During the three months ended June 30, 2019 ("Q3") the Company reported a net loss of $648,680 compared to a net loss of $841,089 for the three months ended March 31, 2019 ("Q2"), a decrease in loss of $192,409. The decrease in loss is mainly attributed to:

(i) a $93,499 decrease in share-based compensation expense, from $246,844 during Q2 to $153,345 during Q3. During Q3 the Company recognized $153,345 on the vesting of share options previously granted. During Q2 the Company granted share options to purchase 345,000 common shares and recorded compensation expense of $2,846. The Company also recorded additional compensation expense of $314,891 on the vesting of share options previously granted and a recovery of $70,893 for expired and forfeited share options;

(ii) during Q3 the Company recorded a foreign exchange loss of $80,045 compared to a loss of $141,797 recorded in Q2;

(iii) a $34,869 decrease in regulatory fees, from $38,269 in Q2 to $3,400 in Q3. The decrease was primarily attributable to the timing of the payment of SEDAR filing fees associated with filing of the Company's 2018 annual financial statements during Q2;

(iv) office expenses increased by $16,806 in Q3 to $62,833, from $46,077 in Q2. During Q3 the Company paid $10,000 for an update to its website. The remainder of the increase was primarily attributed to supplies for the Peruvian office;

(v) a $15,907 decrease in investment conferences, from $24,994 in Q2 to $9,187 in Q3. The decrease was primarily attributed to the Company participating in more investment conferences in Europe and North America in Q2.

Nine Months Ended June 30, 2019 Compared to Nine Months Ended June 30, 2018

During the nine months ended June 30, 2019 (the "2019 period"), the Company reported a net loss of $2,114,639 compared to a net loss of $1,930,965 for the nine months ended June 30, 2018 (the "2018 period"), an increase in loss of $183,674. The increase in loss during the 2019 period was mainly attributed to the fluctuation in the following expenses:

(i) a $370,202 increase in share-based compensation expense during the 2019 period. During 2019 the Company granted share options to purchase 345,000 common shares and recorded compensation expense of $14,109. The Company also recorded additional compensation expense of $804,671 on the vesting of share options previously granted and a recovery of $75,286 for expired and forfeited share options. During the 2018 period the Company granted share options to purchase 7,244,000 common shares and recorded compensation expense of $268,386 and recognized $104,906 on the vesting of share options previously granted;

(ii) during the 2019 period the Company recorded a foreign exchange gain of $21,358, a decrease of $139,444, compared to a foreign exchange gain of $160,802 during the 2018 period;

(iii) a $75,000 decrease in management fees, from $285,006 during the 2018 period to $210,006 in the 2019 period. During the 2018 period the Board of Directors approved a $75,000 performance bonus to Dr. Carman, the President and CEO of the Company, in recognition of his achievements in advancing the Company's Peruvian properties and successful completion of the Company's prospectus offering and private placement in the 2018 period;

(iv) a $56,232 decrease in general exploration, from $163,511 during the 2018 period to $107,279 during the 2019 period;

(v) travel and related expenses of $145,925 (2018 - $198,441) were incurred by management attending investment conferences to raise awareness of the Company's Peruvian exploration plans, reiew exploration activities in Peru and meet with shareholders. Travel expenses in the 2018 period were considerably higher as a result of increased travelling to raise capital;

(vi) a $41,066 decrease in investment conferences, from $109,415 during the 2018 period to $68,349 during the 2019 period. The decrease was primarily attributed to the Company participating in more investment conferences in Europe and North America during the 2018 period;

(vii) a $40,757 decrease in salaries, wages and benefits, from $329,163 during the 2018 period to $288,406 during the 2019 period. The decrease was attributable to severance payments made during the 2018 period;

(viii) legal fees decreased by $37,225 in the 2019 period to $77,830 (2018 - $115,055). During the 2018 period significant legal services were incurred for the listing of the Company's common shares on the Lima Stock Exchange, whereas legal services provided in the 2019 period were primarily attributed to corporate general matters;

(ix) professional fees increased by $25,482 during the 2019 period to $202,483 from $177,001 during the 2018 period. The increase was attributable to recruitment fees paid to identify a mining consultant and amounts charged by the consultant;

(x) office expenses increased $20,339, from $129,307 in the 2018 period to $149,646 in the 2019 period. The Company paid $10,000 for an update to its website during the 2019 period. The remainder of the increase was primarily attributed supplies for the Peruvian office;

(xi) incurred regulatory fees of $47,546 (2018 - $28,868), an increase of $18,678 compared to the 2018 period. The increased expense was attributed to higher annual sustaining fees and additional fiing fees paid to the TSXV on the ratification of the Company's stock option plan;

(xii) during the 2019 period the Company incurred a total of $80,044 (2018 - $66,718) for accounting and administration. The Company incurred a total of $57,000 (2018 - $41,450) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, the Company's CFO, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare. In addition, during the 2019 period the Company was also billed $23,044 (2018 - $25,268) for accounting services provided by a third party accounting firm in Peru;

The Company holds its cash in interest bearing accounts in major financial institutions. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the 2019 period the Company recorded interest income of $194,292 compared to $119,842 during the 2018 period, an increase of $74,450. The increase was due the higher levels of funds held throughout the 2019 period from the equity financings conducted in the 2018 period and share options and warrants exercised.

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

	As at June 30, 2019			As at September 30, 2018		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Colquipucro	383,441	8,591,409	8,974,850	381,318	8,333,515	8,714,833
Ayawilca	690,286	30,745,441	31,435,727	636,708	27,001,832	27,638,540
Other	-	3,299,814	3,299,814	-	2,919,465	2,919,465
	1,073,727	42,636,664	43,710,391	1,018,026	38,254,812	39,272,838

Exploration and evaluation activities incurred during the nine months ended June 30, 2019 period and fiscal 2018 are as follows:

	Colquipucro $	Ayawilca $	Other $	Total $
Balance at September 30, 2017	8,096,360	18,212,263	2,554,100	28,862,723
Exploration costs				
Assays	-	10,717		10,717
Camp costs	-	1,109,691	-	1,109,691
Community relations	463,188	1,900,991	-	2,364,179
Consulting	70,217	100,340	-	170,557
Depreciation	-	5,323	-	5,323
Drilling	-	5,216,500	-	5,216,500
Environmental	33,891	292,498	-	326,389
Geological	-	445,818	-	445,818
Metallurgical	-	149,795		149,795
Software and database management	8,189	8,356		16,545
Topography	-	3,945	-	3,945
Travel		3,380		3,380
VAT incurred		-	1,252,605	1,252,605
VAT recovered	-	-	(887,240)	(887,240)
	575,485	9,247,354	365,365	10,188,204
Acquisition costs				
Concession payments	42,988	178,923	-	221,911
Balance at September 30, 2018	8,714,833	27,638,540	2,919,465	39,272,838
Exploration costs				
Camp costs	-	592,194	-	592,194
Community relations	222,500	1,308,985	-	1,308,985
Consulting	-	175,644	-	175,644
Depreciation	-	4,420	-	4,420
Drilling	-	557,460	-	557,460
Environmental	35,394	274,721	-	274,721
Geological	-	416,581	-	416,581
Metallurgical	-	199,983	-	199,983
Modelling	-	48,345		48,345
Software and database management	-	19,548		19,548
Topography	-	132,170	-	132,170
Travel	-	13,558	-	13,558
VAT incurred	-	-	380,349	380,349
	257,894	3,743,609	380,349	4,381,852
Acquisition costs				
Concession payments	2,123	53,578	-	55,701
Balance at June 30, 2019	8,974,850	31,475,727	3,299,814	43,710,391

During the 2019 period the Company focused on continuing metallurgical test work, construction of access roads and platforms, rehabilitation of drill sites and access tracks with local communities and completion of the PEA. The Company incurred a total of $4,437,553 (2018 - $7,069,698) for exploration expenditures and acquisition costs, comprising $3,797,187 (2018 - $5,924,439) on the Ayawilca Project, $260,017 (2018 - $403,165) on the Colquipucro Project, and $380,349 (2018 - $742,094) for IVA tax in Peru. See also "Exploration Projects, Peru - Recent Exploration Results and Planned Work Program".

Financings

During the 2019 period the Company received $393,567 on the exercises of share options and warrants. The proceeds were added to the Company's general working capital. The Company did not conduct any equity financings during the 2019 period.

During the 2018 period the Company completed equity financings to raise gross proceeds of $16,239,496, as follows:

(i) on April 4, 2018 the Company completed a prospectus offering of 16,790,000 units, at a price of $0.48 per unit for gross proceeds of $8,059,200. Each unit comprised one common share and one-half warrant. Each whole warrant entitled the holder to purchase an additional common share at a price of $0.75 per share until April 4, 2019. The Company paid a cash commission of $483,552; and

(ii) private placement financing of 17,042,284 units $0.48 per unit for gross proceeds of $8,180,296. Each unit comprised one common share and one-half warrant. Each whole warrant entitled the holder to purchase an additional common share at a price of $0.75 per share for one year from closing. On April 6, 2018 the Company closed on the first tranche of 12,022,284 units for gross proceeds of $5,770,696. A cash commission of $38,963 was paid on the first tranche placement. On April 27, 2018 the Company closed on the remaining tranche of 5,020,000 units for proceeds of $2,409,600. No cash commission was paid on the remaining tranche.

In addition during the 2018 period the Company issued a total of 15,862,132 common shares on the exercises of warrants and share options for total proceeds of $4,875,154. The Company used the proceeds from the financings and warrant and option exercises to fund ongoing exploration expenditures at the Ayawilca Project, completion of the PEA and for other corporate purposes and general working capital.

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 June 30, 2019 the Company had working capital in the amount of $8,350,122. Management considers that the Company has sufficient funds to maintain ongoing corporate overhead, field expenses, continue its 2019 drill program at the Zinc Zone and advance the Ayawilca Project over the next twelve months. See also "Exploration Projects, Peru, Current Work Program and Next Steps". 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, 2018 annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies other than the adoption of IFRS 9 - *Financial Instruments* ("IFRS 9").

IFRS 9

Effective October 1, 2018, the Company adopted IFRS 9 using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have an impact on the carrying amounts of the Company's financial instruments at the transition date. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

A detailed summary of all the Company's other significant accounting policies is included in Note 3 to the September 30, 2018 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 2019 and 2018 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 VP of Exploration (Mr. Alvaro Fernandez-Baca) as follows:

	2019 **$**	**2018** **$**
Management fees - Dr. Carman	210,006	285,006
Professional fees - Mr. DeMare	22,500	22,500
Professional fees - Mr. Fernandez-Baca	175,757	177,682
Share-based compensation - Dr. Carman	168,687	105,307
Share-based compensation - Mr. DeMare	50,606	14,449
Share-based compensation - Mr. Fernandez-Baca	84,344	46,939
	711,900	651,883

During the 2019 period the Company expensed $210,006 (2018 - $285,006) to management fees, $92,811 (2018 - $117,573) to professional fees and $303,637 (2018 - $166,695) for share-based compensation. In addition, the Company capitalized $105,446 (2018 - $82,609) of compensation paid to the VPE to exploration and evaluation assets.

As at June 30, 2019, $nil (September 30, 2018 - $27,743) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During the 2019 and 2018 periods the following amounts were incurred for professional services provided by non-management current and former directors of the Company (Mary Little, Ben McKeown, and David Henstridge) and the Corporate Secretary (Mariana Bermudez):

	2019 **$**	**2018** **$**
Professional fees - Ms. Little (director)	18,000	18,000
Professional fees - Mr. McKeown (director)	18,000	18,000
Professional fees - Mr. Henstridge (former director)(1)	-	3,000
Professional fees - Ms. Bermudez (2)	37,380	43,600
Share-based compensation - Ms. Little	54,499	15,561
Share-based compensation - Mr.McKeown	129,760	37,049
Share-based compensation - Ms. Bermudez	42,172	12,041
	299,811	147,251

(1) Resigned on November 15, 2017.
(2) Ms. Bermudez compensation is billed by a private corporation owned by Ms. Bermudez.

As at June 30, 2019, $8,000 (September 30, 2018 - $10,000) remained unpaid.

(ii) During the 2019 period the Company incurred a total of $57,000 (2018 - $41,450) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and $3,015 (2018 - $3,015) for rent. As at June 30, 2019, $7,670 (September 30, 2018 - $7,000) remained unpaid.

During the 2018 period the Company also recorded $4,816 for share-based compensation for share options granted to Chase.

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.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at August 26, 2019, there were 264,609,029 issued common shares, 12,382,347 warrants outstanding exercisable at $0.45 per share and 11,145,500 share options outstanding, at exercise prices ranging from $0.25 to $0.50 per share.