TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MARCH 31, 2018

This discussion and analysis of financial position and results of operation is prepared as at May 18, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended March 31, 2018 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; 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, 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 the six months ended March 31, 2018 the Company received $3,833,329 on the exercises of share options and warrants. Subsequent to March 31, 2018 a further $330,675 has been received on the exercise of share options. In April 2018 the Company completed a number of equity financings to raise $16,239,496. See also "Results of Operations - Financings" and "Financial Condition/Capital Resources".

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 of March 31, 2018, Tinka had 100% ownership of 59 granted mining concessions covering 16,917 hectares at the Company's flagship Ayawilca Property in the Pasco region of Central Peru all held by Tinka Peru SAC.

The Ayawilca Property is located 250 kilometres northeast of Lima in the central Peru Andes at elevations of between 3,800 and 4,300 metres. The Property is located 40 km northwest of the Cerro de Pasco zinc-lead-silver-copper mine, a large carbonate replacement deposit ("CRD") that has been mined continuously for centuries. The Ayawilca deposit is a true 'grass roots' zinc discovery made by Tinka in 2012-2013. Since then, Tinka has now drilled more than 50,000 metres and has identified a large, high-grade zinc resource which remains open. Resource extensions and new targets are currently being tested in an aggressive drill program with at least 3 drill rigs expected to operate during much of 2018.

Zinc mineralization at Ayawilca lies at depths of between 150 metres to about 500 metres from surface. It is a "blind" deposit and therefore does not outcrop. Mineralization occurs in the form of flat-lying sulphide 'mantos' typically ranging from 6 to 30 metres thick, up to 50 metres thick in individual mantos. At West and South Ayawilca, mantos are stacked on top of each other to form 'chimneys' with mineralization up to 200 metres in vertical thickness. Zinc in the resources occurs only as sulphide, as medium-to-high iron sphalerite accompanied by pyrite, pyrrhotite, and magnetite with minor galena and other base metal sulphides. Zinc is typically accompanied by high levels of indium ("In"), a high value specialty metal used in the hi-tech industry. Company geologists believe there are many similarities in style of mineralization between Ayawilca and the Cerro de Pasco deposits.

Mineralization at Ayawilca is predominantly hosted by the Pucará Group limestones, a Triassic-Jurassic formation between 100 and 200 metres thick, in turn overlain by flat-lying Goyllarisguizga ("Goyllar") Group sandstones-siltstones of Cretaceous age. The Goyllar Group rocks are generally weakly mineralized, except for zinc-rich steep dipping veins (not part of the existing resource). These are the youngest rocks in the area but acted as an impermeable 'seal', effectively 'trapping' the zinc mineralization in the limestones beneath. The zinc mineralization is interpreted to be Miocene in age (10 to 15 million years ago), associated with an intrusion at depth which is yet to be identified.

Tin mineralization is hosted mostly by pyrrhotite-rich sulphide mantos typically 10-15 metres thick and up to 50 metres thick, lying beneath and physically separated from the zinc mineralization near or at the base of the limestones near the contact with underlying phyllite. Tin mineralization slightly pre-dates the zinc mineralization. Cassiterite, a tin oxide, is the dominant tin mineral accompanied by minor chalcopyrite, stannite and arsenopyrite.

The Colquipucro silver resource lies two kilometres north of the Zinc Zone Ayawilca resource, hosted by oxidised Goyllar Group sandstones. Silver mineralization occurs from the surface to a depth of about 80 metres. No drilling has been conducted at Colquipucro since 2014, though holes have been drilled for zinc outside of the silver resource.

Mineral Resources

On December 18, 2017 the Company filed the "Technical Report on the Mineral Resources Estimate for the Ayawilca Property, Department of Pasco, Peru" (the "Ayawilca Update Report"), prepared by Roscoe Postle Associates Inc. ("RPA") in accordance with National Instrument 43-101. The Ayawilca Update Report updated the Ayawilca Mineral Resource estimate using the drill results available to October 10, 2017 (Tables 1 and 2). The updated Mineral Resource estimation is as follows:

(i) Inferred Zinc Mineral Resource of 42.7 million tonnes grading 6.0 % zinc, 0.2 % lead, 17 g/t silver & 79 g/t indium (7.3 % ZnEq), including:
- 5.6 billion pounds of zinc;
- 3.4 tonnes of indium;
- 23.3 million ounces of silver; and
- 209 million pounds of lead.

(ii) Inferred Tin Mineral Resource of 10.5 million tonnes grading 0.63 % tin, 0.23 % copper, & 12 g/t silver (0.70 % SnEq), including:
- 145 million pounds of tin;
- 53 million pounds of copper; and
- 4.2 million ounces of silver.

(iii) No change to the Colquipucro Silver resource since the 2015 resource estimation.

Table 1 - Zinc Zone Inferred Mineral Resources at Ayawilca Deposit

(As of October 10, 2017)

Zone	Tonnage (Mt)	ZnEq (%)	Zn (%)	Pb (%)	In (g/t)	Ag (g/t)	Zn (Mlb)	Pb (Mlb)	In (kg)	Ag (Moz)
West	9.0	7.2	6.1	0.2	64	14	1,206	37	577	4.0
Central	13.0	5.7	4.7	0.3	54	13	1,338	77	704	5.4
East	7.5	6.2	5.1	0.2	69	13	846	34	519	3.1
South	13.3	9.5	7.6	0.2	118	25	2,228	61	1,561	10.6
Total	**42.7**	**7.3**	**6.0**	**0.2**	**79**	**17**	**5,617**	**209**	**3,361**	**23.1**

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off NSR value of US$55 per tonne.
3. 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$18/oz Ag, and US$1.10/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$6.15 per % Pb, US$0.18 per gram In, and US$0.27 per gram Ag.
4. The NSR value was calculated using the following formula: NSR = [Zn(%)*US$15.34+Pb(%)*US$6.15+In(g/t)*US$0.18+Ag(g/t)*US$0.27]
5. The ZnEq value was calculated using the following formula: ZnEq = NSR/US$15.34

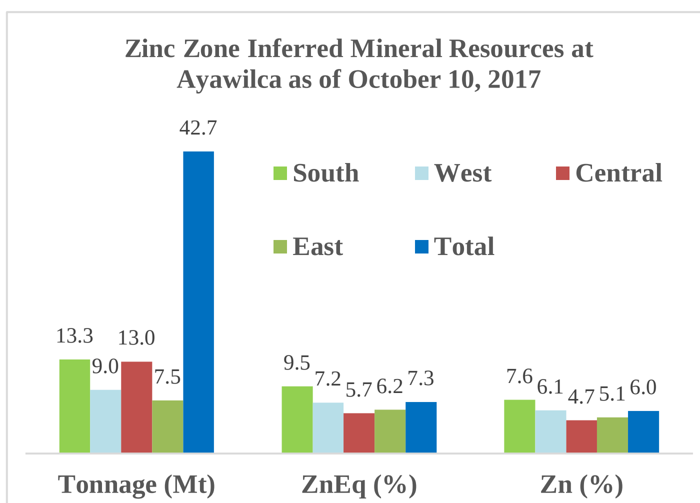

Table 2 - Tin Zone Inferred Mineral Resources at Ayawilca

(As of October 10, 2017)

	Tonnage (Mt)	SnEq (%f)	Sn (%)	Cu (%)	Ag (g/t)	Sn (Mlb)	Cu (Mlb)	Ag (Moz)
Tin Zones	**10.5**	**0.70**	**0.63**	**0.23**	**12**	**145**	**53**	**4.2**

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off grade of US$55 per tonne NSR value.
3. The NSR grade 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$9.50/lb Sn, US$3/lb Cu, and US$18/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$164.53 per % Sn, US$39.95 per % Cu, and US$0.27 per gram Ag.
4. The NSR value was calculated using the following formula: US$NSR = [Sn(%)*US$164.53+Cu(%)*US$39.95+Ag(g/t)*US$0.27].
5. The SnEq value was calculated using the following formula: SnEq = NSR/US$164.53

The Mineral Resource estimate for the Colquipucro silver oxide deposit (Indicated Mineral Resource of 7.4 Mt at a grade of 60 g/t Ag for 14.3 Moz Ag and Inferred Mineral Resource of 8.5 Mt at a grade of 48 g/t Ag for 13.2 Moz Ag, using US$ 15/t cut-off and a metal price of $ 24/oz Ag) remains unchanged from the February 26, 2015 news release.

Qualified Person - Mineral Resources: The Mineral Resources have been estimated by Mr. David Ross, P.Geo., an employee of RPA and independent of Tinka. By virtue of his education and relevant experience, Mr. Ross is a "Qualified Person" for the purpose of National Instrument 43-101. The Mineral Resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014).

Recent Results and 2018 Planned Work Program

Following the recent equity financings which have raised the Company approximately $16,240,000, Tinka is now fully funded to execute its ambitious exploration programs for the next 18 months, which are designed to advance and de-risk the Ayawilca project. Tinka is continuing to explore for additional mineralization to add zinc resources at Ayawilca during 2018, with approximately 15,000 metres of drilling planned until August 2018. Three drill rigs are currently operating at the Property, currently testing extensions of the West Ayawilca resource area, and Zone 3 (Zone 3 is a new area with no current zinc mineral resources). Hole A18-114, a recent step-out hole approximately 110 metres northwest of the West Ayawilca zinc resource, intersected two high-grade zinc intervals in an area previously untested. See recent results highlighted below.

Follow-up drilling is underway to test further extensions of the recent high-grade mineralization discovered at West Ayawilca. Other holes are planned to test the possible connection of mineralization between West and Central Ayawilca. New areas to be drilled during the next quarter include Zone 3 and the Valley area, while deep holes are also planned to tests repetitions of the high-grade zinc mineralization underneath South Ayawilca.

A Preliminary Economic Assessment ("PEA") is planned for commencement during the second half of 2018. Metallurgical test work for the PEA on the zinc mineralization is already well advanced, with results expected during the second quarter of 2018.

2018 Drill Highlights

Hole A18-114 (West Ayawilca):

- 19.3 metres at 9.2 % zinc, 0.2 % lead & 19 g/t silver from 300.0 metres depth, *including*
  - 4.0 metres at 16.2 % zinc, 0.2 % lead & 26 g/t silver from 300.0 metres depth; and
- 14.4 metres at 12.8 % zinc, 1.9 % lead, 140 g/t silver & 98 g/t indium from 351.4 metres depth, *including*
  - 2.0 metres at 11.8 % zinc, 12.1 % lead, 837 g/t silver & 292 g/t indium from 352.3 metres depth, and
  - 1.4 metres at 29.2 % zinc, 0.4 % lead, 58 g/t silver & 24 g/t indium from 357.0 metres depth, and
  - 4.6 metres at 16.8 % zinc, 0.1 % lead, 15 g/t silver and 26 g/t indium from 361.2 metres depth.

Hole A18-111 (Zone 3):

- 5.0 metres at 20.2 % zinc, 0.3 % lead, 74 g/t silver & 420 g/t indium from 173.8 metres depth; and.
- 1.3 metres at 6.5 % zinc & 0.3 % lead from 278.2 metres depth.

Hole A18-110 (Zone 3):

- 3.8 metres at 3.7 % zinc & 0.3 % lead from 278.2 metres depth; and
- 3.4 metres at 4.8 % zinc & 48 g/t indium from 322.6 metres depth; and
- 12.1 metres at 4.9 % zinc & 212 g/t indium from 372.7 metres depth; and
- 6.0 metres at 5.6 % zinc & 50 g/t indium from 436.0 metres depth; and
- 4.0 metres at 8.4 % zinc & 126 g/t indium from 454.0 metres depth, *including*
    - 0.5 metres at 41.7 % zinc & 366 g/t indium from 456.2 metres depth.

Note: True thicknesses of the zinc intersections are estimated to be at least 85% of the downhole thicknesses.

Qualified Person

The qualified person for the Company's projects, Dr. Graham Carman (FAUSIMM), President and CEO of the Company, has reviewed and approved the technical information 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 2018		**Fiscal 2017**				**Fiscal 2016**	
	Mar. 31 2018 $	**Dec. 31 2017 $**	**Sept. 30 2017 $**	**Jun. 30 2017 $**	**Mar. 31 2017 $**	**Dec. 31 2016 $**	**Sept. 30 2016 $**	**Jun. 30 2016 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(612,508)	(624,063)	(747,935)	(701,393)	(1,153,703)	(472,787)	(283,858)	(445,266)
Other items	48,553	102,748	(71,246)	(129,336)	28,642	58,920	(176,247)	9,310
Net loss and comprehensive loss	(563,955)	(521,315)	(819,181)	(830,729)	(1,125,061)	(413,867)	(460,105)	(435,956)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	4,426,093	6,529,914	5,649,150	8,460,307	10,707,494	11,580,424	1,691,780	2,692,830
Total assets	37,909,918	38,192,196	35,055,174	34,618,538	33,834,964	33,871,065	23,782,063	24,193,242
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2018 Compared to Three Months Ended December 31, 2017

During the three months ended March 31, 2018 (the "Q2") the Company reported a net loss of $563,955 compared to a net loss of $521,315 for the three months ended December 31, 2017 (the "Q1"), an increase in loss of $42,640. The increase in loss is mainly attributed to:

(i) during Q2 the Company recorded $87,529 (Q1 - $nil) on vested options granted in previous fiscal years;
(ii) a $57,071 decrease in salaries, wages and benefits, from $113,290 during Q1 to $56,219 during Q2. The decrease is primarily attributed to paying statutory bonuses to employees in Peru in December 2017;
(iii) during Q2 the Company recorded a foreign exchange gain of $25,214, a decrease of $56,316 compared to the foreign exchange gain of $81,530 in Q1. The overall foreign exchange gain for the 2018 period arose from the continued depreciation of the Canadian Dollar compared to the US Dollar and Peruvian Soles;
(iv) legal fees decreased by $40,537 in Q2 to $21,614 (Q1 - $62,151). The Q1 fees were significantly higher as a direct result of listing the Company's common shares on the Lima Stock Exchange; and
(v) a $38,760 decrease in audit fees in Q2 compared to Q1 as there were no audit services incurred in the current period.

Six Months Ended March 31, 2018 Compared to Six Months Ended March 31, 2017

During the six months ended March 31, 2018 (the "2018 period"), the Company reported a net loss of $1,085,270, compared to a net loss of $1,538,928 for the six months ended March 31, 2017 (the "2017 period"). The decrease in loss during the 2018 period is mainly attributed to the following expenses:

(i) the Company recognized share-based compensation of $87,529 (2017 - $793,530) on the granting and vesting of share options. During the 2018 period the Company recorded $87,529 (2017 - $28,585) on vested options and an additional $nil (2017 - $764,945) on the granting of nil (2017 - 5,618,750) share options;

(ii) legal fees increased by $64,763 in the 2018 period to $83,765 (2017 - $19,002). The current period fees were mainly related to the listing of the Company's common shares on the Lima Stock Exchange, whereas legal services provided in 2017 were primarily attributed to corporate general matters;

(iii) during the 2018 period the Company recorded a foreign exchange gain of $106,744 (2017 - $46,100), an increase of $60,644 compared to 2017. The increase in foreign exchange gain for the 2018 period arose from the depreciation of the Canadian Dollar compared to the US Dollar and Peruvian Soles.;

(iv) a $51,196 increase in investment conferences, from $28,815 during the 2017 period to $80,011 during the 2018 period. The increase is primarily attributed to the Company participating in more investment conferences in Europe and North America;

(v) incurred regulatory fees of $54,089 (2017 - $6,252) representing a $47,837 increase compared to 2017. The increase was primarily related to $31,008 in filing fees associated with the Company's prospectus;

(vi) a $33,065 increase in general exploration, from $36,052 during the 2017 period to $69,117 in the 2018 period;

(vii) travel expenses of $145,091 (2017 - $112,638) were primarily incurred by management to review exploration activities in Peru, meet with investors to raise capital and attend investment conferences to raise awareness of the Company's Peruvian exploration plans;

(viii) a $30,004 increase in management fees, from $110,000 during the 2017 period to $140,004 in the 2018 period. On June 1, 2017 the annual remuneration to Dr. Carman, the President and CEO of the Company, was increased from $220,000 to $280,000. Dr. Carman's workload and responsibilities expanded in correlation with the exploration efforts of the Company's Peruvian properties and financing requirements. See Related Party Disclosure;

(ix) a $33,175 increase in salaries, wages and benefits, from $136,334 during the 2017 period to $169,509 during the 2018 period. The increase is primarily attributed to having more staff in Peru than in 2017; and

(x) accounting and administration increased $18,483, from $32,811 during the 2017 period to $51,294 during the 2018 period. A total of $33,800 (2017 - $20,550) was billed for accounting and administration services provided by Chase Management Ltd. ("Chase") a private company owned by Mr. Nick DeMare, the Chief Financial Officer ("CFO") and director of the Company, and $17,494 (2017 - $12,261) was billed for accounting services provided by a third-party accounting firm for ongoing accounting for its Peru subsidiaries.

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 2018 period the Company recorded interest income of $44,557 compared to $41,462 during the 2017 period, an increase of $3,095. The increase is due to higher levels of cash held throughout the 2018 period compared to the 2017 period,

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

	As at March 31, 2018			**As at September 30, 2017**		
	Acquisition Costs $	**Deferred Exploration Costs $**	**Total $**	**Acquisition Costs $**	**Deferred Exploration Costs $**	**Total $**
Colquipucro	338,330	8,018,976	8,357,306	338,330	7,758,030	8,096,360
Ayawilca	457,785	21,010,238	21,468,023	457,785	17,754,478	18,212,263
Other	-	2,960,152	2,960,152	-	2,554,100	2,554,100
	796,115	31,989,366	32,785,481	796,115	28,066,608	28,862,723

Exploration and evaluation activities incurred during the six months ended March 31, 2018 and fiscal 2017 are as follows:

	Colquipucro $	Ayawilca $	Other $	Total $
Balance at September 30, 2016	7,766,324	11,963,945	2,194,742	21,925,011
Exploration costs				
Camp costs	3,833	720,133	-	723,966
Community relations	185,540	596,283	-	781,823
Depreciation	-	3,519	-	3,519
Drilling	59,663	4,112,161	-	4,171,824
Environmental	46,043	282,271	-	328,314
Geological	20,676	293,251	-	313,927
Geophysics	5,355	6,032		11,387
Metallurgical test work	-	75,977	-	75,977
Software and database management	8,926	8,925		17,851
Topography	-	2,069	-	2,069
VAT incurred	-	-	798,412	798,412
VAT recovered	-	-	(373,150)	(373,150)
	330,036	6,100,621	425,262	6,855,919
Acquisition costs				
Concession payments	-	147,697	-	147,697
Impairment	-	-	(65,904)	(65,904)
Balance at September 30, 2017	8,096,360	18,212,263	2,554,100	28,862,723
Exploration costs				
Assays	-	7,180		7,180
Camp costs	-	474,003	-	474,003
Community relations	120,724	831,866	-	952,590
Consulting	70,216	72,758	-	142,974
Depreciation	-	2,382	-	2,382
Drilling	-	1,490,856	-	1,490,856
Environmental	22,338	125,417	-	147,755
Geological	-	176,381	-	176,381
Land access	39,479	15,788	-	55,267
Metallurgical	-	48,975		48,975
Software and database management	8,189	8,189		16,378
Topography	-	1,965	-	1,965
VAT incurred	-	-	406,052	406,052
	260,946	3,255,760	406,052	3,922,758
Balance at March 31, 2018	8,357,306	21,468,023	2,960,152	32,785,481

During the 2017 period the Company was primarily focused on negotiating access agreements and finalizing its environmental impact assessments. In February 2017 the Company initiated drilling activities at Ayawilca. The drilling program remained active through the remainder of 2017. During the 2018 period the Company incurred a total of $3,922,758 (2017 - $1,370,363) for exploration expenditures, comprising $3,255,760 (2017 - $1,188,541) on the Ayawilca Project, $260,946 (2017 - $69,067) on the Colquipucro Project, and $406,052 (2017 - $112,755) for IVA tax in Peru which remains outstanding and is a component of exploration expenditures. See also “Exploration Projects, Peru - Recent Results and 2018 Planned Work Program”.

During the 2017 period the Company received a VAT recovery of $373,150.

Financings

During the 2018 period the Company issued 12,797,347 common shares for gross proceeds of $3,833,329 on the exercise of share options and warrants. The Company did not complete any equity financings during the 2018 period. In April 2018 the Company completed a number of equity financings, as described in “Financial Condition / Capital Resources”.

During the 2017 period the Company completed a private placement financing and issued a total of 55,000,000 common shares for gross proceeds of $11,000,000. The Company allocated the net proceeds from the financing to fund the 2017 and 2018 drilling program at the Company's Ayawilca Project in Peru, as well as for other exploration expenditures, corporate purposes and general working capital. In addition, during the 2017 period the Company received $313,500 from the exercise of share options

Financial Condition / Capital Resources

The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. As at March 31, 2018 the Company had working capital in the amount of $4,426,093.
Subsequent to March 31, 2018 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 entitles the holder to purchase an additional common share at a price of $0.75 per share until April 4, 2019. The Company paid an agent's fee of $483,552; and

(ii) on April 6, 2018 the Company closed on the first tranche of a non-brokered private placement for 12,022,284 units, at a price of $0.48 per unit for gross proceeds of $5,770,696. A cash commission of $39,191 was paid on the first tranche. On April 27, 2018 the Company closed on the second tranche for 5,020,000 units for gross proceeds of $2,409,600. Each unit comprised one common share and one-half warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.75 per share for one year from closing.

The Company plans to use the proceeds from the equity financings to fund exploration expenditures at the Ayawilca Project, as well as for other corporate purposes and general working capital.

Subsequent to March 31, 2018 the Company also received $330,675 on the exercises of share options and warrants. On May 8, 2018 the Company granted 7,244,000 share options which are exercisable at $0.50 per option until May 8, 2022.

Management considers that the Company has sufficient funds to maintain ongoing corporate overhead and field expenses, complete its current drill program and metallurgical tests on Ayawilca and continue ongoing exploration activities on its existing mineral projects. 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 accounting policies is included in Note 3 to the September 30, 2017 annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies.

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 2018 and 2017 periods the Company 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 Exploration (Mr. Alvaro Fernandez-Baca) as follows:

	2018 **$**	**2017** **$**
Management fees - Dr. Carman	140,004	110,000
Professional fees - Mr. DeMare	15,000	15,000
Professional fees - Mr. Fernandez-Baca	78,399	108,522
Share-based compensation - Dr. Carman	46,548	44,057
Share-based compensation - Mr. DeMare	-	81,800
Share-based compensation - Mr. Fernandez-Baca	18,619	21,077
	298,570	380,456

During the 2018 period the Company expensed $140,004 (2017 - $110,000) to management fees, and $49,678 (2017 - $57,791) to professional fees and $65,167 (2017 - $146,934) for share-based compensation. In addition the Company capitalized $43,721 (2017 - $65,731) to exploration and evaluation assets.

(b) *Transactions with Other Related Parties*

(i) During the 2018 and 2017 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):

	2017 **$**	**2016** **$**
Professional fees - Ms. Little (current director) (1)	12,000	12,000
Professional fees - Mr. McKeown (current director) (2)	12,000	-
Professional fees - Mr. Henstridge (former director)(3)	3,000	12,000
Professional fees - Ms. Bermudez(4)	16,800	-
Share-based compensation - Mr. Henstridge	-	81,800
Share-based compensation - Ms. Little	-	81,800
Share-based compensation - Ms. Bermudez	-	56,237
	43,800	243,837

(1) Appointed on March 23, 2016.
(2) Appointed director on August 17, 2017 and appointed non-executive Chairman on February 14, 2018.
(3) Resigned on November 15, 2017.
(4) Since June 1, 2017, Ms. Bermudez compensation is billed by a private corporation owned by Ms. Bermudez. Prior thereto Ms. Bermudez was employed by Mawson Resources Limited ("Mawson") and her time was allocated to the Company.

As at March 31, 2018, $12,000 (September 30, 2017 - $9,000) remained unpaid.

(ii) During the 2018 period the Company incurred a total of $33,800 (2017 - $20,550) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and $2,010 (2017 - $2,010) for rent. As at March 31, 2018 $5,872 (September 30, 2017 - $7,670) remained unpaid.

During the 2018 period the Company also recorded $15,337 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 May 18, 2018, there were 259,617,453 issued common shares, 31,141,318 warrants outstanding exercisable at prices ranging from $0.20 to $0.45 per share and 10,207,250 share options outstanding, at exercise prices ranging from $0.20 to $0.65 per share.