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**TINKA RESOURCES LIMITED**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
MARCH 31, 2022

*(Unaudited - Expressed in Canadian Dollars)*

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**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, 2022 \$	September 30, 2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,341,736	4,041,734
Restricted cash	4	7,497,600	7,644,600
GST receivable		14,484	17,044
Prepaid expenses		<u>50,053</u>	<u>87,859</u>
<b>Total current assets</b>		<u>8,903,873</u>	<u>11,791,237</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	43,878	49,273
Exploration and evaluation assets	6	<u>56,820,401</u>	<u>55,266,993</u>
<b>Total non-current assets</b>		<u>56,864,279</u>	<u>55,316,266</u>
<b>TOTAL ASSETS</b>		<u>65,768,152</u>	<u>67,107,503</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<u>416,815</u>	<u>596,196</u>
<b>TOTAL LIABILITIES</b>		<u>416,815</u>	<u>596,196</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	93,478,232	93,478,232
Share-based payments reserve	7	7,176,618	7,176,618
Deficit		<u>(35,303,513)</u>	<u>(34,143,543)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>65,351,337</u>	<u>66,511,307</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>65,768,152</u>	<u>67,107,503</u>

**Events after the Reporting Period** - Note 12

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 25, 2022 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	
		2022 \$	2021 \$	2022 \$	2021 \$
<b>Expenses</b>					
Accounting and administration	8(b)(ii)	28,814	27,481	51,767	51,912
Audit		26,550	25,785	48,450	42,000
Corporate development		42,002	27,067	55,042	38,264
Depreciation		-	162	-	534
Directors and officers compensation	8	156,138	147,142	313,304	290,461
General exploration		269	9,971	8,908	28,809
Investment conferences		-	7,953	23,885	7,953
Investor relations		-	9,000	-	18,000
Legal		11,152	28,199	16,191	54,089
Office		28,062	62,096	56,612	81,259
Regulatory		37,113	27,797	55,262	32,717
Rent	8(b)(ii)	11,474	14,742	22,864	26,254
Salaries and benefits		53,288	81,625	128,231	133,946
Shareholder costs		6,214	6,140	9,463	10,472
Share-based compensation	7(d)	-	1,882	-	26,084
Transfer agent		2,212	2,556	3,295	3,378
Travel and related		27,572	-	28,304	-
		<u>430,860</u>	<u>479,598</u>	<u>821,578</u>	<u>846,132</u>
<b>Loss before other items</b>		<u>(430,860)</u>	<u>(479,598)</u>	<u>(821,578)</u>	<u>(846,132)</u>
<b>Other items</b>					
Interest income		6,339	33,705	12,696	74,280
Foreign exchange		<u>(275,509)</u>	<u>(121,342)</u>	<u>(351,088)</u>	<u>(663,622)</u>
		<u>(269,170)</u>	<u>(87,637)</u>	<u>(338,392)</u>	<u>(589,342)</u>
<b>Net loss and comprehensive loss for the period</b>		<u>(700,030)</u>	<u>(567,235)</u>	<u>(1,159,970)</u>	<u>(1,435,474)</u>
<b>Loss per share - basic and diluted</b>		<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<u>340,740,717</u>	<u>340,740,717</u>	<u>340,740,717</u>	<u>340,740,717</u>

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

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

	<b>Six Months Ended March 31, 2022</b>				
	<b>Share Capital</b>				
	<b>Number of Shares</b>	<b>Amount \$</b>	<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Shareholders' Equity \$</b>
<b>Balance at September 30, 2021</b>	340,740,717	93,478,232	7,176,618	(34,143,543)	66,511,307
Net loss for the period	-	-	-	(1,159,970)	(1,159,970)
<b>Balance at March 31, 2022</b>	<u>340,740,717</u>	<u>93,478,232</u>	<u>7,176,618</u>	<u>(35,303,513)</u>	<u>65,351,337</u>

	<b>Six Months Ended March 31, 2021</b>				
	<b>Share Capital</b>				
	<b>Number of Shares</b>	<b>Amount \$</b>	<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Shareholders' Equity \$</b>
<b>Balance at September 30, 2020</b>	340,740,717	93,478,232	7,136,533	(32,088,899)	68,525,866
Share-based compensation	-	-	26,084	-	26,084
Net loss for the period	-	-	-	(1,435,474)	(1,435,474)
<b>Balance at March 31, 2021</b>	<u>340,740,717</u>	<u>93,478,232</u>	<u>7,162,617</u>	<u>(33,524,373)</u>	<u>67,116,476</u>

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

**TINKA RESOURCES LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Six Months Ended March 31,	
	2022 \$	2021 \$
<b>Operating activities</b>		
Net loss for the period	(1,159,970)	(1,435,474)
Adjustments for:		
Depreciation	-	534
Share-based compensation	-	26,084
Changes in non-cash working capital items:		
GST receivable	2,560	(571)
Prepaid expenses	37,806	(33,110)
Accounts payable and accrued liabilities	7,041	(776,780)
<b>Net cash used in operating activities</b>	<u>(1,112,563)</u>	<u>(2,219,317)</u>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(1,734,435)	(3,812,239)
Additions to properties, plant and equipment	-	(9,066)
<b>Net cash used in investing activities</b>	<u>(1,734,435)</u>	<u>(3,821,305)</u>
<b>Net change in cash</b>	(2,846,998)	(6,040,622)
<b>Cash and cash equivalents at beginning of period</b>	<u>11,686,334</u>	<u>20,868,868</u>
<b>Cash and cash equivalents at end of period</b>	<u>8,839,336</u>	<u>14,828,246</u>
<b>Cash and cash equivalents comprises:</b>		
Cash	1,341,736	2,848,702
Short-term redeemable investment certificates	-	4,434,544
Restricted cash	7,497,600	7,545,000
	<u>8,839,336</u>	<u>14,828,246</u>

**Supplemental cash flow information** - See Note 11

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

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

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**1. Nature of Operations**

Tinka Resources Limited (the “Company”) was incorporated on September 15, 1987 under the provisions of the Company Act (British Columbia). The Company is listed and traded on the TSX Venture Exchange (“TSXV”) and the Lima Stock Exchange under the symbol “TK”, on the OTCQB under the symbol “TKRFF” and on the Frankfurt Exchange under the symbol “TLD”. The Company’s principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 Canada.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Peru. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

As at March 31, 2022 the Company had working capital in the amount of \$8,487,058. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

In March 2020 the World Health Organization (“WHO”) declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. Mining and exploration activities has, to a large extent, continued uninterrupted. The Company has implemented safety and physical distancing procedures, testing protocols and is encouraging its employees to be vaccinated. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

**2. Basis of Preparation**

***Statement of Compliance***

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended September 30, 2021.

***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, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

**3. Subsidiaries**

The subsidiaries of the Company are as follows:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Darwin Resources Corp.	Canada	100%
Tinka Resources S.A.C.	Peru	100%
Darwin Peru S.A.C.	Peru	100%
Cia. Electrica Chaupihuaranga S.A.C.	Peru	100%

**4. Restricted Cash**

The Company has set aside \$7,497,600 (US \$6,000,000) for exploration and development of the Company's mineral projects.

**5. Property, Plant and Equipment**

	<u>Office Furniture and Equipment \$</u>	<u>Vehicles \$</u>	<u>Total \$</u>
<b>Cost:</b>			
Balance at September 30, 2020	164,791	101,141	265,932
Additions	13,565	-	13,565
Balance at September 30, 2021 and March 31, 2022	<u>178,356</u>	<u>101,141</u>	<u>279,497</u>
<b>Accumulated Depreciation:</b>			
Balance at September 30, 2020	(117,197)	(101,141)	(218,338)
Depreciation	(11,886)	-	(11,886)
Balance at September 30, 2021	(129,083)	(101,141)	(230,224)
Depreciation	(5,395)	-	(5,395)
Balance at March 31, 2022	<u>(134,478)</u>	<u>(101,141)</u>	<u>(235,619)</u>
<b>Carrying Value:</b>			
Balance at September 30, 2021	<u>49,273</u>	<u>-</u>	<u>49,273</u>
Balance at March 31, 2022	<u>43,878</u>	<u>-</u>	<u>43,878</u>

**6. Exploration and Evaluation Assets**

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

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

**6. Exploration and Evaluation Assets (continued)**

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
<b>Balance at September 30, 2020</b>	<u>9,196,366</u>	<u>36,323,722</u>	<u>2,797,596</u>	<u>48,317,684</u>
<b>Exploration costs</b>				
Assays	-	-	10,059	10,059
Camp costs	2,322	752,409	13,114	767,845
Community relations	438,844	939,287	-	1,378,131
Depreciation	-	11,352	-	11,352
Drilling	-	1,700,246	-	1,700,246
Engineering	23,343	268,049	-	291,392
Environmental	2,611	498,540	-	501,151
Geological	-	567,571	8,324	575,895
Health and safety	-	355,220	-	355,220
Metallurgical	-	153,802	-	153,802
Software and database management	-	27,306	-	27,306
Topography	-	1,188	-	1,188
VAT incurred	-	-	706,488	706,488
VAT recovered	-	-	(134,768)	(134,768)
	<u>467,120</u>	<u>5,274,970</u>	<u>603,217</u>	<u>6,345,307</u>
<b>Acquisition costs</b>				
Property acquisition payment	-	-	177,176	177,176
Concession payments and related taxes	-	274,078	128,931	403,009
Staking costs	-	-	23,817	23,817
	<u>-</u>	<u>274,078</u>	<u>329,924</u>	<u>604,002</u>
<b>Balance at September 30, 2021</b>	<u>9,663,486</u>	<u>41,872,770</u>	<u>3,730,737</u>	<u>55,266,993</u>
<b>Exploration costs</b>				
Camp costs	-	275,058	-	275,058
Community relations	119,851	319,288	730	439,869
Depreciation	-	5,395	-	5,395
Drilling	-	1,039	-	1,039
Engineering	-	28,349	-	28,349
Environmental	729	142,795	-	143,524
Geological	3,702	201,380	127,984	333,066
Health and safety	3,749	85,504	-	89,253
Metallurgical	-	20,464	-	20,464
Software and database management	-	18,426	-	18,426
VAT incurred	-	-	134,538	134,538
	<u>128,031</u>	<u>1,097,698</u>	<u>263,252</u>	<u>1,488,981</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	-	64,427	-	64,427
<b>Balance at March 31, 2022</b>	<u>9,791,517</u>	<u>43,034,895</u>	<u>3,993,989</u>	<u>56,820,401</u>

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

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**6. Exploration and Evaluation Assets (continued)**

*Colquipucro and Ayawilca Projects*

As at March 31, 2022 the Colquipucro and Ayawilca projects comprise a total of 59 mineral claims granted in the Province of Daniel Alcides Carrion, Peru.

The Company is required to issue 500,000 common shares to Sierra Peru Pty Ltd. (“Sierra”) in the event that a positive feasibility study is prepared on either of the Colquipucro or Ayawilca projects. Sierra also retains a right to a 1% net smelter royalty (“NSR”) from any production from 46 of the 59 mineral claims that make up the Colquipucro and Ayawilca projects. The NSR can be purchased at any time for US \$1,000,000.

*Other*

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 37 mining claims located in the Huanuco Andean region of central Peru (the “Silvia Project”). BHP Peru retains a right to a 1% NSR on the Silvia Project. The NSR can be repurchased at any time by the Company for US \$8,000,000 on or before July 8, 2036.

As at March 31, 2022 the Company also owns nine granted mining concessions at three exploration target areas in Central Peru.

Expenditures incurred by the Company in Peru are subject to Peruvian Value Added Tax (“VAT”). The VAT is included in exploration and evaluation assets as incurred. Under Peruvian law VAT paid can be used in the future to offset amounts resulting from VAT charged on sales. Under certain circumstances and subject to approval from tax authorities a Company can also apply for early refund of VAT prior to generating sales. As at March 31, 2022 the Company has a VAT balance of \$3,505,423 (September 30, 2021 - \$3,370,885).

**7. Share Capital**

(a) *Authorized Share Capital*

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

(b) *Equity Financings*

No financings were conducted during the six months ended March 31, 2022 and fiscal 2021.

(c) *Share Option Plan*

The Company has established a rolling share option plan (the “Plan”) in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the six months ended March 31, 2022 and 2021 the Company did not grant any share options.

**TINKA RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2022**  
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**7. Share Capital (continued)**

The fair value of share options vested during the six months ended March 31, 2021 is estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2021</u>
Risk-free interest rate	0.32% - 0.35%
Estimated volatility	72%
Expected life	4 years - 4.75 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

The weighted average measurement date fair value of all share options recognized, using the Black-Scholes option pricing model, during the six months ended March 31, 2021 was \$0.08 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

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

	<u>2022</u>		<u>2021</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	13,720,000	0.35	14,377,000	0.36
Granted	-	-	300,000	0.25
Expired	-	-	<u>(989,500)</u>	0.47
Balance, end of period	<u>13,720,000</u>	0.35	<u>13,687,500</u>	0.35

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

Number	Exercise Price \$	Expiry Date
5,255,000	0.50	May 8, 2022
35,000	0.35	March 8, 2023
<u>8,430,000</u>	0.25	January 23, 2025
<u>13,720,000</u>		

See also Note 12.

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

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**8. Related Party Disclosures**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the six months ended March 31, 2022 and 2021 the following amounts were incurred with respect to the Company's Chief Executive Officer ("CEO"), Vice-President of Exploration ("VPE") and Chief Financial Officer ("CFO") as follows:

	2022 \$	2021 \$
Management fees - CEO	154,998	154,998
Management fees - VPE	77,656	109,316
Professional fees - CFO	<u>36,500</u>	<u>18,000</u>
	<u>269,154</u>	<u>282,314</u>

During the six months ended March 31, 2022 the Company expensed \$238,304 (2021 - \$216,721) to directors and officers compensation and capitalized \$30,850 (2021 - \$65,593) of compensation paid to the VPE to exploration and evaluation assets.

As at March 31, 2022 \$10,000 (September 30, 2021 - \$3,000) remained unpaid and has been included in accounts payable and accrued liabilities.

Pursuant to various agreements with its CEO and VPE the Company is currently committed to pay up to approximately \$860,000 in the event of termination without cause or a change of control of the Company.

(b) *Transactions with Other Related Parties*

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

	2022 \$	2021 \$
Directors and officers compensation	<u>75,000</u>	<u>73,740</u>

As at March 31, 2022 \$11,000 (September 30, 2021 - \$3,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the six months ended March 31, 2022 the Company incurred a total of \$36,500 (2021 - \$34,500) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO, for accounting and administrative services provided by Chase personnel, excluding the CFO, and \$2,010 (2021 - \$2,010) for rent. As at March 31, 2022 \$5,670 (September 30, 2021 - \$4,170) remained unpaid and has been included in accounts payable and accrued liabilities.

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

**9. Segmented Information**

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

	<b>March 31, 2022</b>		
	<b>Corporate Canada \$</b>	<b>Mineral Operations Peru \$</b>	<b>Total \$</b>
Current assets	8,770,435	133,438	8,903,873
Property, plant and equipment	-	43,878	43,878
Exploration and evaluation assets	-	56,820,401	56,820,401
	<u>8,770,435</u>	<u>56,997,717</u>	<u>65,768,152</u>
	<b>September 30, 2021</b>		
	<b>Corporate Canada \$</b>	<b>Mineral Operations Peru \$</b>	<b>Total \$</b>
Current assets	11,654,194	137,043	11,791,237
Property, plant and equipment	-	49,273	49,273
Exploration and evaluation assets	-	55,266,993	55,266,993
	<u>11,654,194</u>	<u>55,453,309</u>	<u>67,107,503</u>

**10. Financial Instruments and Risk Management**

***Categories of Financial Assets and Financial Liabilities***

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

<b>Financial Instrument</b>	<b>Category</b>	<b>March 31, 2022 \$</b>	<b>September 30, 2021 \$</b>
Cash and cash equivalents	FVTPL	1,341,736	4,041,734
Restricted cash	FVTPL	7,497,600	7,644,600
Accounts payable and accrued liabilities	Amortized cost	(416,815)	(596,196)

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.

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**10. Financial Instruments and Risk Management (continued)**

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's cash and cash equivalents and restricted cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash and restricted cash is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

<b>Contractual Maturity Analysis at March 31, 2022</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash and cash equivalents	1,341,736	-	-	-	1,341,736
Restricted cash	7,497,600	-	-	-	7,497,600
Accounts payable and accrued liabilities	(416,815)	-	-	-	(416,815)
<b>Contractual Maturity Analysis at September 30, 2021</b>					
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash and cash equivalents	4,041,734	-	-	-	4,041,734
Restricted cash	7,644,600	-	-	-	7,644,600
Accounts payable and accrued liabilities	(596,196)	-	-	-	(596,196)

*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.

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**10. Financial Instruments and Risk Management (continued)**

(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, 2022, 1 Canadian Dollar was equal to 2.94 Peruvian Nuevo Soles and 0.80 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN \$ Equivalent
Cash and cash equivalents	370,412	82,681	229,342
Restricted cash	-	6,000,000	7,497,600
Accounts payable and accrued liabilities	<u>(651,465)</u>	<u>-</u>	<u>(221,587)</u>
	<u>(281,053)</u>	<u>6,082,681</u>	<u>7,505,355</u>

Based on the net exposures as of March 31, 2022 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Peruvian Nuevo Soles and US Dollar would result in the Company's net loss being approximately \$750,000 higher or lower.

*Capital Management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**11. Supplemental Cash Flow Information**

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

	2022 \$	2021 \$
Operating activities		
Depreciation	5,395	5,967
Accounts payable and accrued liabilities	<u>22,848</u>	<u>403,533</u>
	<u>28,243</u>	<u>409,500</u>
Investing activity		
Exploration and evaluation assets	<u>(28,243)</u>	<u>(409,500)</u>

**12. Events after the Reporting Period**

- (a) On May 8, 2022 share options to purchase 5,255,000 common shares, at an exercise price of \$0.50 per share, expired without exercise.

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**12. Events after the Reporting Period** (continued)

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

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