

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JUNE 30, 2023

This discussion and analysis of financial position and results of operation is prepared as at August 25, 2023 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, 2023 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; the political environment in which the Company operates continuing to support the development and operation of mining projects; risks related to negative publicity with respect to the Company or the mining industry in general; the threat associated with outbreaks of viruses and infectious diseases, including the novel COVID-19 virus; 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 management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) or the Company's website [www.tinkaresources.com](http://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

Tinka is a junior mineral exploration company engaged in the acquisition and exploration of base and precious metal mineral properties in Peru, with the aim of developing these properties to a stage where they can be exploited at a

profit or arranged for joint venture whereby other companies can provide funding for development. The Company's flagship property is the 100%-owned Ayawilca zinc-silver-tin project ("the Ayawilca Project") 200 kilometres northeast of Lima in the Pasco region of central Peru. The Ayawilca Project consists of three discrete mineral deposits each with separate Mineral Resource estimations (the "Zinc Zone", "Tin Zone", and the "Colqui Silver Zone"). As of August 30<sup>th</sup>, 2021, the Zinc Zone mineral resource contains 3.0 billion pounds of zinc, 10 million ounces of silver and 87 million pounds of lead (indicated) and 5.7 billion pounds of zinc, 31 million ounces of silver and 370 million pounds of lead (inferred). The Tin Zone contains 189 million pounds of tin (inferred). The Colqui Silver Zone (also referred to as "Colquipucro") contains 14 million ounces of silver (indicated) and 13 million ounces of silver (inferred) as of May 25, 2016.

Tinka has completed an additional 11,000 metres of diamond drilling at Ayawilca in 2022 and 2023 (completed May 2023). This drill program focused on resource definition of the South and West Ayawilca areas and targeted an increase in the indicated mineral resources. The 2022-23 drill highlights are summarized in this MD&A. An updated Mineral Resource estimation is in progress for the Zinc Zone and Tin Zone.

The Company filed a technical report for the Ayawilca Project on November 10, 2021, incorporating the results of a Preliminary Economic Assessment ("PEA") compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The PEA considered the Zinc Zone deposit would be mined at a throughput of 8,500 tonnes per day. The 2021 PEA base-case after-tax NPV<sub>8%</sub> was US \$433 million using metal prices of US \$1.20/lb zinc on a 100% equity basis (pre-tax NPV<sub>8%</sub> of US \$720 million). The after-tax IRR was 31.9% (pre-tax IRR of 42.6%).

The Company is actively exploring its extensive land package in central Peru for new copper-gold and zinc-silver discoveries. Exploration is taking place at the Silvia NW copper-gold target with a drone magnetic survey and surface mapping/sampling in progress.

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 trades on the TSX Venture Exchange ("TSXV") as a Tier 1 issuer, under the symbol "TK", on the OTCQB under the symbol "TKRFF", on the Lima Stock Exchange under the symbol "TK", and on the Frankfurt Exchange under the symbol "TLD".

### ***Directors and Officers***

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

Dr. Graham Carman	- President, Chief Executive Officer ("CEO") and Director
Ben McKeown	- Non-executive Chairman and Director
Nick DeMare	- Chief Financial Officer ("CFO") and Director
Mary Little	- Director
Pieter Britz	- Director
Raul Benavides	- Director
Jones Belther	- Director
Mariana Bermudez	- Corporate Secretary

### **Exploration Projects, Peru**

#### ***Introduction***

As at the date of this MD&A, Tinka holds a total of 89 granted mining concessions in central Peru covering 39,148 hectares (391 km<sup>2</sup>) held by two 100%-owned subsidiary companies. Tinka Resources S.A.C. holds 59 granted mining concessions covering 16,548 hectares at the Company's flagship Ayawilca Project in the Department of Pasco. Darwin Peru S.A.C. holds 30 granted mining concessions covering 22,600 hectares including the Silvia Project in the Department of Huanuco which comprises of 26 granted concessions for 20,600 hectares.

## *Aywilca Project*

### *Zinc Zone Drill Highlights*

The Company completed 33 diamond drill holes for 11,115 metres in the 2022-23 drill campaign targeting high-grade zinc-silver mineralization. The final results from the drill program were released in August 2023. The holes were both infill and step-out holes and were focused at West and South Aywilca, both areas of known high-grade zinc mineralization. These areas also contain high-grade inferred resources which the Company's geologists believe can be upgraded to the indicated resource category with additional drilling. As a result, some of the best Zinc Zone intersections ever made at Aywilca were reported during the 2022-23 campaign. The full suite of drill results from the 2022-23 program have been incorporated into an updated 3D geological model and a mineral resource estimation update is in progress. Some of the highlights from the Zinc Zone 2022-23 drill program include:

#### South Aywilca:

- Hole A22-202: 38.9 metres at 20.0% Zn, 0.1% Pb & 31 g/t Ag from 170.5 m – [news release Jan 9/23](#).
- Hole A22-199: 42.4 metres at 9.4% Zn, 0.1% Pb and 19 g/t Ag from 246.5 m – [news release Jan 9/23](#).
- Hole A22-212: 145.2 metres at 10.9% Zn, 0.2% Pb and 31 g/t Ag from 158.2 m – [news release Mar 6/23](#).
- Hole A22-208: 71.2 metres at 8.8% Zn, 0.5% Pb and 33 g/t Ag from 168.8 m – [news release Mar 6/23](#).
- Hole A22-206: 37.8 metres at 10.5% Zn, 0.1% Pb and 17 g/t Ag from 153.6 m – [news release Mar 6/23](#).

#### West Aywilca:

- Hole A22-200: 44.9 metres at 12.0% Zn, 0.1% Pb and 16 g/t Ag from 283.6 m - [news release Nov 21/22](#).
- Hole A22-207: 132.5 metres at 6.8% Zn, 0.3% Pb and 21 g/t Ag from 193.9 m - [news release Jan 24/23](#).
- Hole A22-205: 134.0 metres at 4.8% Zn, 0.1% Pb and 10 g/t Ag from 180.0 m – [news release Jan 24/23](#).
- Hole A22-203: 49.8 metres at 8.3% Zn, 0.1% Pb and 16 g/t Ag from 186.88 m - [news release Jan 24/23](#).
- Hole A23-216: 97.9 metres at 8.8% Zn, 0.1% Pb and 16 g/t Ag from 197.9 m - [news release June 8/23](#).

True thicknesses of the intercepts in the Zinc Zone are estimated to be at least 75% of the downhole thicknesses.

Significant improvements to the geological interpretation of the Zinc Zone based on the 2022-23 drill program include:

1. Zinc Zone mineralization at West Aywilca is more vertically controlled than was previously interpreted - two zinc sulphide 'pipes' each with diameters of between 100 and 150 metres extend through the entire limestone sequence (up to 200 metres vertically).
2. High-grade, continuous massive zinc sulphide mineralization at South Aywilca is concentrated within a tightly folded anticline 'hinge'.
3. An initial hydrological study has also been conducted to better understand the underground water conditions at Aywilca. Hydrological information has been obtained from 11 down-hole piezometers which were installed on a wide drill spacing to get adequate coverage across the project. The hydrological study, which is close to final completion, will be important for mine plan studies in the future.

All zinc mineralization is associated with semi to massive sulphides dominated by sphalerite (both iron-rich and iron-poor varieties) in addition to other sulphide minerals including pyrite, marcasite, pyrrotite, arsenopyrite with carbonate and quartz.

### *Silver Zone Drill Highlights*

The Silver Zone is a steeply-dipping vein structure (also referred to as the "060 Fault") on the northern edge of the Zinc Zone sulphide bodies at South Aywilca. In May 2023, the Company announced a drill intersection of high-grade silver mineralization from the Silver Zone in hole A23-220. Mineralization is associated with a carbonate-rich vein matrix containing a relatively low abundance of sulphide minerals including 'ruby silver' sulphosalts accompanied by sphalerite, galena and pyrite. The carbonate-rich vein structures are a complex mix of siderite (Fe-rich) and rhodochrosite (Mn-rich) carbonate varieties and are believed to have formed late-stage in the genesis of the Aywilca deposit.

Resampling of an earlier hole in the recent drill campaign, hole A22-195, extended the Silver Zone mineralization to a strike length of 500 metres along the northeast-trending 060 Fault, and the mineralization remains open along strike

in both directions as well as up and down plunge. The Silver Zone is interpreted to plunge at a shallow angle to the southwest.

Highlights of the Silver Zone downhole intersections include:

- Hole 17-072: 11.5 m at 781 g/t Ag from 294.5 m including 2.0 m at 3167 g/t Ag – [news release July 17/17](#).
- Hole A19-167: 29.6 m at 152 g/t Ag from 412.7 m including 7.3 m at 366 g/t Ag – [news release Oct 8/19](#).
- Hole A23-220: 29.5 m at 182 g/t Ag from 289.7 m including 7.1 m at 604 g/t Ag – [news release May 2/23](#).
- Hole A22-195: 3.4 m at 465 g/t silver from 209.7 m – [news release Aug 17/23](#).

True thicknesses of the intercepts in the Silver Zone are estimated to be at least 65-75% of the downhole thicknesses.

### ***Silvia Project***

During the current quarter a drone magnetic survey was successfully completed at the Silvia NW copper-gold target. In total, 121 line-kilometres of drone magnetic data was acquired covering an area of approximately 13 km<sup>2</sup>. The geophysical data is currently being processed and interpreted.

At the Silvia NW target, high-grade copper-gold mineralization occurs in outcrops of ‘green garnet skarn’ associated with chalcopyrite, other mostly secondary copper minerals (with very low arsenic) and microscopic native gold, adjacent to altered felsic intrusions. “Area A” sampled up to 2.7% copper and 22 g/t gold over 2 metres in trench samples, with the best trench sample being 46 metres at 0.8% copper and 1.9 g/t gold - [news release Nov 10/21](#). The Silvia NW target has not been drilled in the past. Tinka has filed for an environmental drilling permit (“DIA”) to the Peruvian authorities and is awaiting approval.

### ***Pampahuasi Property***

The Pampahuasi property consists of four granted mining concessions for 2,000 hectares held by Darwin Peru S.A.C. in the Department of Huancavelica 300 km southeast of Lima. The area is prospective for epithermal vein gold and silver mineralization. There has been no known previous drilling at the property.

Tinka has identified several northwest-southeast trending gold and silver-bearing veins within the claims along a discontinuous trend some 2 km in strike length. Pampahuasi was visited by Tinka geologists during the quarter and reported the following. Two gold prospects have been identified along a 2 km trend separated by a river. The North River area has produced channel rock sample results of 3 metres grading 3.61 g/t gold & 2.4 g/t silver and a second sample returned 0.7 metres grading 1.61 g/t gold & 69.3 g/t silver. The South River area returned rock channel results of 4.0 metres grading 2.2 g/t gold and 2.3 g/t silver, with a second sample returning 0.5 metres grading 1.0 g/t gold & 3.3 g/t silver. A silica ‘sinter’, interpreted as the remnant of a hot spring system, was mapped near the outcropping veins and 300 metres higher in elevation. Tinka’s geologists interpret that the Pampahuasi property is prospective for an epithermal gold vein system. More mapping and sampling will be done over the coming weeks to better understand the potential of the vein system.

### ***Planned 2023 Work Programs***

A Mineral Resource update for the Ayawilca Project is in progress, incorporating all the new 2022-23 drill hole data with a focus on the Zinc Zone (incorporating the new Silver Zone) and Tin Zone. The mineral resource update is expected to be available in September 2023. The updated mineral resource and block model will form the basis of a mining trade-off assessment which will evaluate a range of potential mining scenarios for the deposits at Ayawilca. The outcomes of the trade-off assessment will enable the company to form a view on the next steps for the project, steps which may include a prefeasibility study and/or additional exploration drilling.

The nearby Silvia NW copper-gold target is a focus of our current exploration activities. Surface work, including rock sampling and geological mapping, is continuing with the aim of better understanding the potential of this large copper-gold skarn system. Significant areas are covered with deep soil or scree cover with minimal rock exposure. The drone magnetics is being interpreted and will be incorporated into an integrated 3D model with the surface geological information.

## Aywilca Project - 2021 PEA

On October 14, 2021 the Company released the results of an updated PEA prepared for the Aywilca Project. A technical report was filed on November 10, 2021. The updated PEA was disclosed in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and was prepared by Mining Plus Peru S.A.C. (“Mining Plus”) as principal consultant, Transmin Metallurgical Consultants (“Transmin”), Envis E.I.R.L (“Envis”), and SLR Consulting (Canada) Ltd (“SLR”).

The updated PEA provided the economic assessment for an underground ramp-access mine development of the Aywilca Zinc Zone with an 8,500 tonnes per day (tpd) processing plant, a significant throughput increase from the previous 2019 PEA (5,000 tpd).

### PEA highlights:

1. After-tax NPV<sub>8%</sub> of US \$433,000,000 (up 19% from 2019 PEA) using base case metal prices of US \$1.20/lb zinc, US \$22/oz silver, and US \$0.95/lb lead on a 100% equity basis (pre-tax NPV<sub>8%</sub> of US \$720,000,000).
2. Initial Capex of US \$264,000,000 with after-tax IRR of 31.9% (pre-tax IRR of 42.6%).
3. Strong leverage to zinc price: assuming a zinc price of US \$1.50/lb (note: current spot is ~ US \$1.65/lb), the after-tax NPV<sub>8%</sub> increases to US \$785,000,000 and IRR increases to 45.7% (pre-tax NPV<sub>8%</sub> of US \$1.27 billion and IRR of 61%).
4. 43.5 million tonnes mined over 14.4 years using bulk underground mining methods (sub level stoping, combined with overhand cut and fill) with daily mill throughput of 8,500 tonnes per day (“tpd”).
5. Average annual production of approximately 155,000 tonnes of zinc in concentrate per year, which would make Aywilca the largest primary zinc producer in South America and a top-10 global zinc producer.
6. Project located in a major mining region close to a paved highway under construction ~200 km from an operating zinc refinery and port on the Pacific coast near to Lima.
7. Designed to minimize risk and environmental impact: 40% of tailings used as underground backfill and on-surface tailings treatment and storage facility to use filtered dry-stack technology.
8. Numerous opportunities to add further value, including:
  - (i) exploration upside for additional zinc discoveries including at South, Far South, Yanapizgo, and Zone 3 areas;
  - (ii) further optimization of zinc and silver metallurgical recoveries; and
  - (iii) incorporating high grade Tin Zone resources into the mine plan.

**Table 1: Aywilca Zinc Zone PEA highlights (effective date October 14, 2021)**

Financial Summary	Pre-tax	After-tax
NPV (8% discount rate)	US \$720,000,000	US \$433,000,000
Internal Rate of Return (“IRR”)	42.6%	31.9%
Payback period	2.0 years	2.6 years
Pre-production capital expenditure (Capex) <sup>(1)</sup>		US \$264,000,000
Sustaining Capex		US \$186,800,000
Life of Mine (“LOM”) Capex		US \$450,700,000
Closure Cost		US \$15,200,000

Notes: (1) Includes contingencies of US \$44,000,000

<b>Operating Summary</b>	
Processing plant throughput	8,500 t/day
Average annual zinc concentrate production	309,000 dmt/year
Average annual lead-silver concentrate production	8,680 dmt/year
Average annual silver in lead concentrate	632,000 oz/year
Total LOM zinc production	4,450,000 tonnes
Net smelter return from zinc and lead concentrates	US \$4,156,000,000
Mining costs	US \$32.79/t
Processing costs	US \$7.10/t
General and administration costs	US \$4.27/t
Total Operating Costs (Opex)	US \$44.16/t

Notes: dmt = dry metric tonne. Numbers may not add due to rounding

<b>Base Case Metal Prices &amp; Exchange Rate Assumptions</b>	<b>Input value</b>
Zinc Price	US \$1.20/lb
Lead Price	US \$0.95/lb
Silver Price	US \$22/oz
NSR Cut-off value	US \$65/t
Exchange Rate - Peruvian SOL / US\$	3.87
Total material processed (LOM)	43,500,000 tonnes
Mine Life	14.4 years

### **Aywilca Mineral Resources**

Updated Mineral Resource estimates for the Aywilca Project, as estimated by SLR Consulting (Canada) Ltd (“SLR”), have an effective date of August 30, 2021 and were incorporated into the PEA. Mineral Resource estimates for two Aywilca deposits (the “Zinc Zone” and “Tin Zone”, respectively) were updated as a result of nearly 12,000 metres of drilling since 2020. A major step forward since the previous resource estimation in 2018 was the large increase in Indicated Zinc Zone resources to 3.0 billion pounds of contained zinc (previously 1.8 billion pounds), a 68% increase. The Indicated Zinc Zone resource remained at a high grade of 7.2% zinc (+ silver + lead), while the Indicated Mineral Resource category now constitutes 35% of the total zinc inventory (previously 24%).

Key highlights of the updated mineral resource estimates:

1. Indicated Zinc Zone Mineral Resource of 19,000,000 tonnes grading 7.2% zinc, 0.2% lead and 16.8 g/t silver containing:
  - (i) 3.0 billion pounds of zinc;
  - (ii) 10.3 million ounces of silver; and
  - (iii) 87 million pounds of lead.
2. Inferred Zinc Zone Mineral Resource of 47,900,000 tonnes grading 5.4% zinc, 0.4% lead & 20.0 g/t silver containing:
  - (i) 5.7 billion pounds of zinc;
  - (ii) 30.7 million ounces of silver; and
  - (iii) 370 million pounds of lead.
3. Inferred Tin Mineral Resource of 8,400,000 tonnes grading 1.0% tin, containing:
  - (i) 189 million pounds of tin.

The Tin Zone and Zinc Zone resources do not overlap, with the Tin Zone situated predominantly beneath the Zinc Zone. The Mineral Resources are reported above a net smelter return (NSR) cut-off value of US \$55/tonne for the Zinc Zone and US \$60/tonne for the Tin Zone.

The Mineral Resource estimates for the Zinc Zone by area (Table 2), and the Tin Zone (Table 3), have an effective date of August 30, 2021. The Colquipucro Silver Zone resource estimate (Table 4) has an effective date of May 25, 2016, also estimated by SLR (previously Roscoe Postle and Associates).

**Table 2: Ayawilca Zinc Zone Mineral Resources as of August 30, 2021  
Tinka Resources Limited – Ayawilca Property**

Classification / Zone	Tonnage (Mt)	NSR (\$/t)	Grade			Contained Metal		
			Zn (%)	Ag (g/t)	Pb (%)	Zn (Mlb)	Ag (Moz)	Pb (Mlb)
<b>Indicated</b>								
West	11.6	108	6.26	15.9	0.25	1,607	6.0	65
South	7.3	145	8.56	18.3	0.13	1,383	4.3	22
<b>Total Indicated</b>	<b>19.0</b>	<b>123</b>	<b>7.15</b>	<b>16.8</b>	<b>0.21</b>	<b>2,990</b>	<b>10.3</b>	<b>87</b>
<b>Inferred</b>								
West	5.5	106	5.90	20.8	0.42	719	3.7	52
South	9.0	134	7.45	34.4	0.33	1,477	10.0	65
Central	17.4	81	4.55	13.8	0.34	1,747	7.7	132
East	10.6	88	5.04	14.4	0.20	1,177	4.9	46
Silver	0.4	93	3.58	106.7	0.65	33	1.4	6
Buffer	4.9	87	4.66	19.2	0.63	504	3.0	69
<b>Total Inferred</b>	<b>47.9</b>	<b>96</b>	<b>5.36</b>	<b>20.0</b>	<b>0.35</b>	<b>5,657</b>	<b>30.7</b>	<b>370</b>

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off net smelter return (NSR) value of US \$55/t.
3. The requirement of a reasonable prospect of eventual economic extraction is met by having a minimum modelling width for mineralized zones of three metres, a cut-off based on reasonable input parameters, and continuity of mineralization consistent with a potential underground mining scenario.
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 \$1.20/lb Zn, US \$22/oz Ag, and US \$0.95/lb Pb. Metal recovery assumptions were, 92% Zn, 85% Ag, and 70% Pb. The NSR value for each block was calculated using the following NSR factors; US \$16.23/% Zn, US \$0.27/g Ag, and US \$10.20/% Pb.
5. Payability is as follows; Zn 84%, Pb 94% and Ag 47%
6. The NSR value was calculated using the following formula:  
NSR = Zn(%)\*US\$16.23+Ag(g/t)\*US\$0.27+Pb(%)\*US\$10.20
7. Numbers may not add due to rounding.

Indium was previously included in the Zinc Zone resource estimation but is no longer reported.

**Table 3: Ayawilca Tin Zone Inferred Mineral Resources as of August 30, 2021  
Tinka Resources Limited - Ayawilca Property**

Classification	Tonnage (Mt)	NSR (\$/t)	Grade (% Sn)	Contained Metal (Mlb Sn)
Inferred	8.4	103	1.02	189

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off grade NSR value of US \$60/t.
3. The requirement of a reasonable prospect of eventual economic extraction is met by having a minimum modelling width for mineralized zones of three metres, a cut-off based on reasonable input parameters, and continuity of mineralization consistent with a potential underground mining scenario.
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 \$11.00/lb Sn. Metal recovery assumptions were, 70% Sn for blocks with Sn:Cu ≥ 5 and 40% for Sn:Cu < 5. The NSR value for each block was calculated using the following NSR factors, US \$141.64 per % Sn for blocks with Sn:Cu ≥ 5 and US \$80.94 for blocks with Sn:Cu < 5.
5. The NSR value was calculated using the following formulae:  
If Sn:Cu ≥ 5: US \$NSR = Sn(%)\*US \$141.64  
If Sn:Cu < 5: US \$NSR = Sn(%)\*US \$80.94
6. If Sn:Cu < 5: US \$NSR = Sn(%)\*US \$80.94
7. Numbers may not add due to rounding.

Copper and silver were reported in the Tin Zone previously but are no longer reported because they are not expected to contribute materially to the economics of the project.

**Table 4: Colquipucro Silver Oxide Deposit Mineral Resources as of May 25, 2016  
Tinka Resources Limited – Ayawilca Property**

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

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported within a preliminary pit shell and above a cut-off grade of 15 g/t Ag for the low grade halo and 60 g/t Ag for the high grade lenses.
3. The cut-off grade is based on a price of US \$24/oz Ag.
4. Numbers may not add due to rounding.

### Qualified Persons

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

Ms. Katharine M. Masun, MSA, M.Sc., P.Geo., SLR Consultant Geologist, and Ms. Dorota El Rassi, P.Eng., SLR Consultant Engineer, both Qualified Persons under National Instrument 43-101 and independent of Tinka, were responsible for the Mineral Resources estimations disclosed in this MD&A.

Mr. Kim Kirkland, FAUSIMM, Geological Engineer, Principal Mining Consultant with Mining Plus, and Edgard Vilela, MAusIMM (CP), Mining Engineer, Underground Manager, a fulltime employee of Mining Plus, both Qualified Persons under NI 43-101 and independent of Tinka, were responsible for the financial results and mine plan disclosed in the PEA and summarized 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, was responsible for the metallurgical assumptions of the PEA in this MD&A.

Mr. Donald Hickson, P.Eng., of Envis E.I.R.L Peru (Envis), a Qualified Person as defined by NI 43-101, was responsible for inputs on processing and tailings filtering and storage in the PEA and 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 2023			Fiscal 2022				Fiscal 2021
	Jun. 30 2023 \$	Mar. 31 2023 \$	Dec. 31 2022 \$	Sept. 30 2022 \$	Jun. 30 2022 \$	Mar. 31 2022 \$	Dec. 31 2021 \$	Sept. 30 2021 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(400,872)	(423,972)	(402,441)	(404,374)	(979,883)	(430,860)	(390,718)	(371,850)
Other items	(81,108)	129,085	(66,614)	1,307,719	320,061	(269,170)	(69,222)	297,475
Net income (loss) and comprehensive income (loss)	(481,980)	(294,887)	(469,055)	903,345	(659,822)	(700,030)	(459,940)	(74,375)
Income (loss) per share -basic and diluted	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	8,415,419	11,167,316	14,285,146	17,301,153	18,519,652	8,487,058	9,844,900	11,195,041
Total assets	76,447,617	77,252,390	77,349,290	77,895,012	76,712,115	65,768,152	66,563,265	67,107,503
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended June 30, 2023 Compared to Three Months Ended March 31, 2023*

During the three months ended June 30, 2023 (“Q3”) the Company reported a net loss of \$481,980 compared to a net loss of \$294,887 for the three months ended March 31, 2023 (“Q2”), an increase in loss of \$187,093, primarily attributed to the recognition of a foreign exchange loss of \$16,735 in Q2 compared to a foreign exchange loss of \$204,499 in Q3, resulting in a fluctuation of a \$187,764.

### *Nine Months Ended June 30, 2023 Compared to Nine Months Ended June 30, 2022*

During the nine months ended June 30, 2023 (the “2023 period”) the Company reported a net loss of \$1,245,922 compared to a net loss of \$1,819,792 for the nine months ended June 30, 2022 (the “2022 period”), a decrease in loss of \$573,870. The decrease in loss was primarily due to:

- (a) the recognition of a foreign exchange fluctuation of \$376,773, from a foreign exchange loss of \$60,450 during the 2022 period compared to a foreign exchange loss of \$473,223 during the 2023 period;
- (b) a \$376,467 increase in interest income from \$42,119 during the 2022 period to \$418,586 during the 2023 period due to higher interest rates obtained and higher levels of cash held on deposit; and
- (c) a \$574,176 decrease in general administrative expenses from \$1,801,461 during the 2022 period to \$1,227,285 during the 2023 period. Significant fluctuations in general and administrative expenses were as follows:
  - (i) during the 2023 period the Company recorded share-based compensation expense of \$35,000 on the granting and vesting of share options compared to \$602,000 during the 2022 period;
  - (ii) during the 2023 period the Company incurred \$401,497 (2022 - \$471,164) for directors and officers compensation. See also “Transactions with Related Parties”;
  - (iii) during the 2023 period the Company incurred \$76,500 to attend local and virtual investment conferences compared to \$30,530 during the 2022 period; and
  - (iv) during the 2023 period the Company incurred \$75,592 (2022 -\$56,703) for corporate travel.

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

	As at June 30, 2023			As at September 30, 2022		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Ayawilca	2,283,265	60,093,547	62,376,812	2,182,918	53,366,738	55,549,656
Silvia	456,849	205,945	662,794	456,849	142,417	599,266
Other	20,038	4,499,360	4,519,398	20,038	3,730,772	3,750,810
	<u>2,760,152</u>	<u>64,798,852</u>	<u>67,559,004</u>	<u>2,659,805</u>	<u>57,239,927</u>	<u>59,899,732</u>

Exploration and evaluation activities incurred during the 2023 period are as follows:

	Ayawilca \$	Silvia \$	Other \$	Total \$
<b>Balance at September 30, 2022</b>	<u>55,549,656</u>	<u>599,266</u>	<u>3,750,810</u>	<u>59,899,732</u>
<b>Exploration costs</b>				
Assays	76,287	-	-	76,287
Camp costs	808,529	-	-	808,529
Community relations	1,597,344	-	-	1,597,344
Depreciation	8,528	-	-	8,528
Drilling	2,817,082	-	-	2,817,082
Engineering	150,055	-	-	150,055
Environmental	240,448	-	-	240,448
Geological	838,887	63,528	-	902,415
Health and safety	164,062	-	-	164,062
Software and database management	25,587	-	-	25,587
VAT incurred	-	-	768,588	768,588
	<u>6,726,809</u>	<u>63,528</u>	<u>768,588</u>	<u>7,558,925</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	<u>100,347</u>	<u>-</u>	<u>-</u>	<u>100,347</u>
<b>Balance at June 30, 2023</b>	<u>62,376,812</u>	<u>662,794</u>	<u>4,519,398</u>	<u>67,559,004</u>

During the 2023 period the Company incurred a total of \$7,659,272 (2022 - \$2,508,837) for exploration expenditures and acquisition costs, comprising \$6,827,156 (2022 - \$2,158,017) on the Ayawilca Project, \$63,528 (2022 - \$165,371) on the Silvia Project and \$768,588 (2022 - \$185,449) for VAT tax in Peru. As at June 30, 2023 the Company has a VAT balance of \$4,519,398 (September 30, 2022 - \$3,724,121). See also "Exploration Projects, Peru".

### **Financings**

During the 2023 period the Company did not conduct any equity financings.

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

### **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, 2023 the Company had working capital in the amount of \$8,415,419. Management considers that the Company has sufficient funds to continue advancing the Ayawilca Project, continue

exploration and drill permitting on the Silvia Project and maintain ongoing corporate overhead and field expenses over the next twelve months. See also “Exploration Projects, Peru”. 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, 2022 annual consolidated financial statements.

### **Changes in Accounting Policies**

There are no changes in accounting policies. A detailed summary of all the Company’s significant accounting policies is included in Note 3 to the September 30, 2022 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 2023 and 2022 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 former VPE (Mr. Alvaro Fernandez-Baca) as follows:

	2023 \$	2022 \$
Management fees - Dr. Carman	232,497	232,497
Management fees - Mr. Fernandez-Baca <sup>(1)</sup>	20,000	114,417
Professional fees - Mr. DeMare	31,500	42,600
	<u>283,997</u>	<u>389,514</u>

(1) Mr. Fernandez-Baca resigned as VPE of the Company effective November 30, 2022.

During the 2023 period the Company expensed \$283,997 (2022 - \$358,664) to director and officer compensation and capitalized \$nil (2022 - \$30,850) of compensation paid to the former VPE to exploration and evaluation assets.

As at June 30, 2023 \$nil (September 30, 2022 - \$10,000) remained unpaid.

During the 2023 period the Company also recorded \$nil (2022 - \$210,000) share-based compensation for share options granted to key management personnel as follows:

	2023 \$	2022 \$
Dr. Carman - share based compensation	-	98,000
Mr. Fernandez-Baca - share based compensation	-	49,000
Mr. DeMare - share based compensation	-	63,000
	<u>-</u>	<u>210,000</u>

The Company has a management agreement with its CEO which provides that in the event the CEO's services are terminated without cause or upon a change of control of the Company, a termination payment is payable. If the termination had occurred on June 30, 2023 the amount payable under the agreement would be approximately \$620,000.

(b) *Transactions with Other Related Parties*

(i) During the 2023 and 2022 periods the following amounts were incurred for professional services provided by non-management directors of the Company (Ben McKeown, Mary Little, Raul Benavides, Pieter Britz, and Jones Belther) and the Corporate Secretary (Mariana Bermudez):

	2023 \$	2022 \$
Professional fees - Mr. McKeown	36,000	36,000
Professional fees - Ms. Little	22,500	22,500
Professional fees - Mr. Benavides	22,500	22,500
Professional fees - Mr. Britz	5,000	-
Professional fees - Mr. Belther	-	-
Professional fees - Ms. Bermudez	31,500	31,500
	<u>117,500</u>	<u>112,500</u>

As at June 30, 2023 \$7,500 (September 30, 2022 - \$nil) remained unpaid.

During the 2023 period the Company also recorded \$35,000 (2022 - \$192,500) share-based compensation for share options granted to its non-management directors and the Corporate Secretary personnel as follows:

	2023 \$	2022 \$
Mr. McKeown - share based compensation	-	59,500
Ms. Little - share based compensation	-	49,000
Mr. Benavides - share based compensation	-	49,000
Mr. Britz - share based compensation	35,000	-
Ms. Bermudez - share based compensation	-	35,000
	<u>35,000</u>	<u>192,500</u>

(ii) During the 2023 period the Company incurred a total of \$44,300 (2022 - \$51,550) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$3,015 (2022- \$3,015) for rent. As at June 30, 2023 \$4,505 (September 30, 2022 - \$4,505) remained unpaid.

**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 25, 2023, there were 391,303,927 issued common shares and 15,497,500 share options outstanding, at an exercise price of \$0.25 per share.