

# **TINKA RESOURCES LIMITED**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2014**

This discussion and analysis of financial position and results of operation is prepared as at January 21, 2015 and should be read in conjunction with the audited annual consolidated financial statements and the accompanying notes for the years ended September 30, 2014 and 2013 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**

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

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) 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 is currently engaged in the acquisition and exploration of precious and base metals on mineral properties located 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. In July 2014 the Company closed on the acquisition of Darwin Resources Corp. ("Darwin") and completed a private placement financing of \$7,929,485. See "Plan of Arrangement and Financing". 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" and on the Frankfurt Exchange under the symbol "TLD".

### **Plan of Arrangement and Financing**

On April 16, 2014 the Company, Darwin and Sentient Global Resources Fund IV, LP entered into a binding term sheet (the "Agreement") whereby the Company agreed to acquire, through a statutory plan of arrangement (the "Arrangement"), all of the outstanding shares of Darwin. Under the terms of the Arrangement, Darwin's shareholders received one common share of the Company for each 5.5 common shares of Darwin. In addition, all outstanding Darwin options and warrants were to be adjusted and exchanged for Company options and warrants with the same exchange ratio. The Arrangement was approved by Darwin shareholders on July 11, 2014 and by the Supreme Court of British Columbia on July 18, 2014.

On July 24, 2014 the Company completed the Arrangement and acquired all of the issued and outstanding common shares of Darwin, under which the Company issued 6,131,094 common shares. The Company also granted 474,500 share options, exercisable at \$1.375 per share expiring June 19, 2015, and 342,367 warrants, exercisable at \$0.77 per share expiring November 27, 2015, in exchange for Darwin share options and warrants outstanding (adjusted for the exchange ratio).

As part of the Arrangement, the Company agreed to undertake a private placement of 28,834,491 units of the Company at a price of \$0.275 per unit for gross proceeds of \$7,929,485. Each unit was comprised of one common share and one-half of one share purchase warrant, with each whole warrant exercisable to acquire an additional common share at a price of \$0.365 for a period of 24 months from closing.

On May 1, 2014 the Company completed the first tranche of the private placement and issued 1,818,182 units to Sentient for gross proceeds of \$500,000. Concurrently with the closing of the Arrangement, the Company completed the second tranche of the Private Placement financing under which the Company issued a further 27,016,309 units for gross proceeds of \$7,429,485, of which Sentient purchased a further 19,512,727 units.

The Company also issued to a finder 91,000 units, each unit having the same terms as the units issued under the private placement.

The proceeds from the private placement will be used for conducting exploration and resource development work on the Ayawilca and Colquipucro projects and for general working capital purposes.

### **Management and Officers**

On closing of the Arrangement, Mr. Andrew Carter resigned as the President, Chief Executive Officer (“CEO”) and a director of the Company and was replaced by Dr. Graham Carman. The Company has paid Mr. Carter a severance payment of \$240,000 and Dr. Carman a signing bonus of \$160,000. Dr. Carman subsequently paid \$81,744 to the Company which was the outstanding balance of a loan from Darwin to Dr. Carman to enable him to purchase common shares of Darwin at the time Darwin was listed on the TSXV.

As of the date of this MD&A the directors and officers of the Company are as follows:

Dr. Graham Carman	Director, President and CEO
Mr. Nick DeMare	Director and Chief Financial Officer (“CFO”)
Mr. David Henstridge	Director
Mr. William Lee	Director
Ms. Yanina Barila	Director
Mr. John Nebocat	Vice-President of Exploration (“VP Exploration”)
Ms. Mariana Bermudez	Corporate Secretary

### **Exploration Projects, Peru**

In Peru, as of the date of this MD&A, Tinka has staked 50 mining concessions covering 11,740 hectares at the Company’s flagship Colquipucro silver and Ayawilca zinc projects in central Peru. In addition, Tinka has 11 mining concessions covering 7,337 hectares in Peru acquired through the acquisition of Darwin.

#### ***Colquipucro Silver Project***

Colquipucro is a silver oxide project, located in the Peruvian Andes, 200 kilometres north of Lima in the Pasco region. The Company began exploration at Colquipucro in 2006. Tinka discovered significant silver mineralization at Colquipucro while sampling old silver mine workings.

Tinka has now completed 8,003 metres of diamond drilling at the project in a number of drill programs, including the most recent program, which consisted of 1,578 metres in ten holes during Q4 2014. Results of the most recent program were released on [January 15, 2015](#). Seven of the holes (CDD39 to CDD45) were infill holes within the existing silver resource (32 million ounces Inferred Silver Oxide Resource as reported by the Company on [April 9, 2014](#)). All seven holes intersected strong, near-surface, oxidized, silver mineralization over substantial thicknesses. Three other holes (CDD36 - CDD38) were step-out holes testing the extension of mineralization to the northwest with

one hole intersecting significant grade. Table 1 shows highlights of all Tinka drill holes at Colquipucro, using a 15 g/t silver cut-off over 6 metre intervals.

Thick (~80 metre true thickness) silver oxide mineralization occurs at or near to the surface beneath Colquipucro hill (e.g. 86 metres at 90 g/t silver in CDD31) and a number of other adjacent holes (e.g. 104 metres at 96 g/t silver in CDD30). Near the southern margin of the resource, CDD43 (39 metres at 200 g/t silver, including 11 metres at 605 g/t silver) has defined a 40 metre wide, high-grade east-west trending structure at a vertical depth of 50 metres.

Drilling has defined oxidized silver mineralization approximately 450 metres (north-south) by 200 metres (east-west) and up to 100 metres thick. The silver mineralization is hosted predominately by a quartz sandstone unit (“Goyllar Group”), 80-100 metres thick, dipping gently to the southwest. The silver oxide mineralization occurs in fractured rocks with iron oxides (following oxidation of primary sulphides), with or without manganese oxide, commonly in highly fractured rocks. Mineralization appears to be enriched at the lower contact of the sandstone, and in east-west trending fracture zones which dip at moderate angles (30 to 70 degrees) to the north. Beneath the sandstone lies a sedimentary unit consisting of breccia, siltstone, shale and limestone approximately 150 metres thick (“Oyon Formation”). The Oyon Formation hosts zinc mineralization (oxidized or transitional to sulphide).

**Table 1. Summary of all significant silver oxide drill intersections from Colquipucro**

Drill Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Comment
<b>CDD45</b>	4.0	140.0	<b>136.0</b>	<b>75</b>	2.7m no recovery in 4 intervals
<i>including</i>	40.0	54.0	<b>14.0</b>	<b>211</b>	
<b>CDD44</b>	6.0	80.0	<b>74.0</b>	<b>54</b>	
<b>and</b>	90.0	150.0	<b>60.0</b>	<b>92</b>	
<i>including</i>	118.0	128.1	<b>10.1</b>	<b>264</b>	
<i>including</i>	136.0	140.0	<b>4.0</b>	<b>383</b>	
<b>CDD43</b>	26.0	32.0	<b>6.0</b>	<b>40</b>	
<b>and</b>	62.0	72.0	<b>10.0</b>	<b>30</b>	
<b>and</b>	86.0	94.0	<b>8.0</b>	<b>34</b>	
<b>and</b>	104.0	142.9	<b>38.9</b>	<b>200</b>	6.9m no recovery in 3 intervals
<i>including</i>	120.7	131.7	<b>11.0</b>	<b>605</b>	
<b>CDD42</b>	20.0	96.0	<b>76.0</b>	<b>61</b>	
<i>including</i>	58.0	66.0	<b>8.0</b>	<b>177</b>	
<b>CDD41</b>	6.0	92.0	<b>86.0</b>	<b>90</b>	7.1m no recovery in 3 intervals
<i>including</i>	18.0	44.0	<b>26.0</b>	<b>119</b>	
<i>including</i>	66.0	78.0	<b>12.0</b>	<b>198</b>	0.8m no recovery in 1 interval
<b>CDD40</b>	1.2	90.0	<b>88.8</b>	<b>50</b>	
<b>and</b>	154.0	216.0	<b>62.0</b>	<b>51</b>	
<i>including</i>	202.0	208.0	<b>6.0</b>	<b>169</b>	
<b>CDD39</b>	10.0	16.0	<b>6.0</b>	<b>47</b>	
<b>and</b>	36.0	84.0	<b>48.0</b>	<b>25</b>	1.5m no recovery in 1 interval
<b>and</b>	94.0	134.5	<b>40.5</b>	<b>140</b>	
<i>including</i>	102.0	106.0	<b>4.0</b>	<b>699</b>	
<b>CDD37</b>	22.0	28.0	<b>6.0</b>	<b>105</b>	
<b>SIGNIFICANT PAST DRILL RESULTS</b>					
<b>CDD34</b>	74.0	112.3	<b>38.3</b>	<b>56</b>	0.8m no recovery in 1 interval
<b>CDD33</b>	28.0	54.0	<b>26.0</b>	<b>37</b>	
<b>CDD31</b>	2.0	70.5	<b>68.5</b>	<b>55</b>	
<b>CDD30</b>	2.0	106.0	<b>104.0</b>	<b>96</b>	1.8m no recovery in 1 interval
<i>including</i>	58.0	70.0	<b>12.0</b>	<b>156</b>	
<i>including</i>	92.0	106.0	<b>14.0</b>	<b>201</b>	
<b>CDD29</b>	2.0	124.0	<b>122.0</b>	<b>76</b>	3.8m no recovery in 2 intervals
<i>including</i>	44.0	68.0	<b>24.0</b>	<b>123</b>	
<i>including</i>	106.0	120.0	<b>14.0</b>	<b>189</b>	0.4m no recovery in 1 interval

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Silver (g/t)</b>	<b>Comment</b>
<b>and</b>	158.0	180.0	<b>22.0</b>	<b>23</b>	3.9m no recovery in 2 intervals
<b>CDD28</b>	22.0	132.0	<b>108.0</b>	<b>57</b>	3.6m no recovery in 2 intervals
<i>including</i>	<i>128.0</i>	<i>132.0</i>	<i>4.0</i>	<i>521</i>	
<b>CDD27</b>	94.0	136.7	<b>42.7</b>	<b>96</b>	
<i>including</i>	<i>118.0</i>	<i>126.0</i>	<i>8.0</i>	<i>298</i>	
<b>CDD26</b>	24.0	32.5	<b>8.5</b>	<b>206</b>	
<b>and</b>	84.0	162.0	<b>78.0</b>	<b>38</b>	
<b>CDD25</b>	6.0	52.0	<b>46.0</b>	<b>35</b>	
<b>and</b>	70.0	114.0	<b>44.0</b>	<b>36</b>	
<b>CDD24</b>	30.0	62.0	<b>32.0</b>	<b>48</b>	
<b>CDD23</b>	12.0	92.0	<b>80.0</b>	<b>105</b>	
<i>including</i>	<i>20.0</i>	<i>30.0</i>	<i>10.0</i>	<i>199</i>	
<i>including</i>	<i>38.0</i>	<i>52.0</i>	<i>14.0</i>	<i>179</i>	
<i>including</i>	<i>82.0</i>	<i>86.0</i>	<i>4.0</i>	<i>306</i>	
<b>CDD22</b>	12.0	98.0	<b>86.0</b>	<b>80</b>	1.5m no recovery in 1 interval
<i>including</i>	<i>14.0</i>	<i>28.0</i>	<i>14.0</i>	<i>132</i>	
<i>including</i>	<i>89.6</i>	<i>96.0</i>	<i>6.4</i>	<i>214</i>	
<b>CDD21</b>	14.0	108.0	<b>94.0</b>	<b>91</b>	1.3m no recovery in 1 interval
<i>including</i>	<i>66.0</i>	<i>78.0</i>	<i>12.0</i>	<i>125</i>	
<b>CDD20</b>	22.0	88.0	<b>66.0</b>	<b>30</b>	10.4m no recovery in 2 workings
<b>CDD19</b>	16.0	68.0	<b>52.0</b>	<b>128</b>	
<i>including</i>	<i>56.0</i>	<i>64.0</i>	<i>8.0</i>	<i>425</i>	
<b>CDD18</b>	100.0	124.5	<b>24.5</b>	<b>23</b>	0.5m no recovery in 1 interval
<b>CDD16</b>	50.0	68.0	<b>18.0</b>	<b>37</b>	
<b>and</b>	85.0	98.0	<b>13.0</b>	<b>102</b>	
<b>and</b>	118.0	146.0	<b>28.0</b>	<b>25</b>	3.4m no recovery in 2 intervals
<b>CDD14</b>	22.0	32.0	<b>10.0</b>	<b>66</b>	
<b>and</b>	18.0	88.0	<b>70.0</b>	<b>123</b>	
<i>including</i>	<i>50.0</i>	<i>62.0</i>	<i>12.0</i>	<i>240</i>	
<b>and</b>	104.0	118.0	<b>14.0</b>	<b>87</b>	
<b>CDD12</b>	20.0	62.0	<b>42.0</b>	<b>31</b>	
<b>and</b>	70.0	92.0	<b>22.0</b>	<b>71</b>	
<i>including</i>	<i>84.0</i>	<i>90.0</i>	<i>6.0</i>	<i>157</i>	
<b>CDD11</b>	0.0	80.0	<b>80.0</b>	<b>65</b>	
<i>including</i>	<i>2.0</i>	<i>8.0</i>	<i>6.0</i>	<i>221</i>	
<b>and</b>	88.0	146.0	<b>58.0</b>	<b>123</b>	
<i>including</i>	<i>138.0</i>	<i>146.0</i>	<i>8.0</i>	<i>551</i>	
<b>CDD10</b>	120.0	142.0	<b>22.0</b>	<b>31</b>	
<b>CDD9</b>	42.0	66.0	<b>24.0</b>	<b>39</b>	
<b>CDD7</b>	80.0	88.0	<b>8.0</b>	<b>113</b>	
<b>CDD6</b>	0.0	66.0	<b>66.0</b>	<b>83</b>	
<i>including</i>	<i>0.0</i>	<i>8.0</i>	<i>8.0</i>	<i>103</i>	
<i>including</i>	<i>28.0</i>	<i>52.0</i>	<i>24.0</i>	<i>129</i>	
<b>and</b>	116.0	120.0	<b>4.0</b>	<b>212</b>	
<b>CDD4</b>	0.0	54.0	<b>54.0</b>	<b>67</b>	
<i>including</i>	<i>14.0</i>	<i>26.0</i>	<i>12.0</i>	<i>176</i>	
<b>and</b>	96.0	128.0	<b>32.0</b>	<b>265</b>	
<i>including</i>	<i>122.0</i>	<i>128.0</i>	<i>6.0</i>	<i>1003</i>	
<b>CDD3</b>	0.0	32.0	<b>32.0</b>	<b>65</b>	
<i>including</i>	<i>2.0</i>	<i>4.0</i>	<i>2.0</i>	<i>486</i>	
<b>and</b>	146.0	148.0	<b>2.0</b>	<b>664</b>	
<b>and</b>	162.0	186.0	<b>24.0</b>	<b>80</b>	

Drill Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Comment
CDD2	62.0	98.0	36.0	55	
CDD1	0.0	34.0	34.0	55	
<i>including</i>	<i>0.0</i>	<i>4.0</i>	<i>4.0</i>	<i>154</i>	
<b>and</b>	66.0	106.0	40.0	35	

**Disclaimer:** Non-recovered intervals have been assumed to contain zero grade. NSR = No significant result.

A report released by Tinka in 2014 ([see Tinka NI 43-101 Technical Report April 2, 2014](#)), announced an Inferred Mineral Resource of 12.1 million tonnes grading 82 g/t silver using a 15 g/t cut-off, equating to 32 million ounces silver. Details of the Inferred Mineral Resource are shown in the following Table 2:

**Table 2. Colquipucro Inferred Mineral Resource April 2014**

Cut-off Category	15 g/t Ag			30 g/t Ag		
	Tonnes	Average Grade: g/t (oz)	Contained Oz.	Tonnes	Average Grade: g/t (oz)	Contained Oz.
Sandstone	9,220,960	80.6 (2.35)	23,890,861	5,936,548	114.3 (3.33)	21,821,145
Lower Units	2,892,569	87.6 (2.55)	8,144,869	1,254,350	137.3 (4.00)	5,535,062
Global	12,113,530	82.3 (2.40)	32,035,730	7,190,898	118.3 (3.45)	27,356,207

Preliminary metallurgical bottle roll and column leach tests of oxidised material from four drill composite samples in 2012 found good to excellent silver recoveries in three samples (50-85% recovery from samples crushed to minus 2mm) with low cyanide consumption after three days of leaching. These preliminary results are considered very encouraging.

The next steps for the project will include an updated resource estimate, to be calculated by an independent consultant, during Q1 2015. Further metallurgical test work of the silver oxide mineralization will determine the likely recoveries of any future silver leach operation. Once metallurgical testing is completed and results assessed, the next phase work program is likely to include a Preliminary Economic Assessment (“PEA”).

### ***Aywilca Zinc Project***

The Aywilca project lies 2 km south of Colquipucro. The zinc and base metal mineralization lies beneath the Goyllar sandstone unit which is between 130 metres and 200 metres thick. A number of small <1m wide silver-zinc veins that outcrop at the western end of the Aywilca area, are the only clear surface clues to the substantial subsurface base metals mineralization. Aywilca is considered a “blind” discovery: zinc sulphide mineralization was first discovered when Tinka drilled an IP geophysical anomaly at West Aywilca in May 2011.

Tinka recently completed a 6,386 metre drill program in 16 diamond drill holes during Q4 2014. Zinc results for the first four drill holes were released on [November 12, 2014](#). All four holes intersected high-grade zinc sulphide mineralization over substantial thicknesses.

Key zinc drill results from the first four holes in the recent program were:

#### *West Aywilca area:*

- A14-22: 148.5 metres at 4.3% zinc from 170.0 metres depth including 32.8 metres at 7.4% zinc from 211.2 metres depth including 5.8 metres at 16.8% zinc from 228 metres; *and* 31.0 metres at 6.3% zinc from 283.5 metres depth including 2.0 metres at 28.9% zinc 5.8% lead from 293.9 metres depth;
- A14-20: 2.2 metres at 21.0% zinc from 164 metres depth; *and* 34.15 metres at 5.3% zinc from 179.85 metres depth including 12.0 metres at 10.5% zinc from 179.85 metres depth; *and* 42 metres at 4.3% zinc from 268 metres depth;
- A14-19: 144.9 metres at 3.9% zinc from 184.0 metres depth including 18.0 metres at 7.1% zinc from 250 metres depth;

#### *East Aywilca area:*

- A14-21: 19.6 metres at 5.7% zinc from 164.0 metres depth including 6.0 metres at 10.2% zinc from 166.0 metres depth.

To date, Tinka has drilled 18,756 metres in 54 diamond drill holes at Ayawilca. Table 3 lists the significant drill intersections at Ayawilca (using a 1% Zn cut off over 6 metres). A number of drill hole results are pending. The Company expects to release all results by the end of January 2015.

**Table 3. Summary of Significant Zinc and associated Base Metal Drill Results from Ayawilca**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Zn (%)</b>	<b>Pb (%)</b>	<b>Ag (g/t)</b>	<b>Cu (%)</b>
<b>A14-22</b>	<b>170.00</b>	<b>318.50</b>	<b>148.50</b>	<b>4.33</b>	<b>0.36</b>	<b>15</b>	<b>0.03</b>
<i>including</i>	211.20	244.00	32.80	7.44	0.02	10	0.02
<i>including</i>	228.00	233.75	5.75	16.76	0.02	24	0.07
<i>and</i>	283.50	314.50	31.00	6.31	0.39	13	0.02
<i>including</i>	293.90	295.90	2.00	28.94	5.84	139	0.09
<b>A14-21</b>	<b>164.00</b>	<b>183.60</b>	<b>19.60</b>	<b>5.67</b>	<b>0.02</b>	<b>8</b>	<b>0.05</b>
<i>including</i>	166.00	172.00	6.00	10.15	0.04	14	0.06
<b>and</b>	<b>298.00</b>	<b>370.60</b>	<b>72.60</b>	<b>0.44</b>	<b>0.05</b>	<b>15</b>	<b>0.08</b>
<i>including</i>	298.00	300.00	2.00	0.15	0.00	0	0.00
<b>A14-20</b>	<b>164.00</b>	<b>166.20</b>	<b>2.20</b>	<b>20.96</b>	<b>0.11</b>	<b>80</b>	<b>0.37</b>
<b>and</b>	<b>179.85</b>	<b>214.00</b>	<b>34.15</b>	<b>5.27</b>	<b>0.25</b>	<b>22</b>	<b>0.04</b>
<i>including</i>	179.85	191.80	11.95	10.52	0.40	23	0.02
<i>including</i>	179.85	184.00	4.15	24.80	1.00	58	0.04
<b>and</b>	<b>242.00</b>	<b>250.00</b>	<b>8.00</b>	<b>2.23</b>	<b>1.28</b>	<b>181</b>	<b>0.09</b>
<b>and</b>	<b>268.00</b>	<b>310.00</b>	<b>42.00</b>	<b>4.26</b>	<b>0.08</b>	<b>25</b>	<b>0.04</b>
<i>including</i>	299.80	301.00	1.20	18.64	0.14	52	0.01
<b>A14-19</b>	<b>184.00</b>	<b>328.90</b>	<b>144.90</b>	<b>3.88</b>	<b>0.03</b>	<b>7</b>	<b>0.02</b>
<i>including</i>	250.00	268.00	18.00	7.11	0.01	11	0.03
<b>SIGNIFICANT PAST RESULTS:</b>							
<b>A12-04A</b>	<b>260.00</b>	<b>280.00</b>	<b>20.00</b>	<b>7.12</b>	<b>0.02</b>	<b>9</b>	<b>0.04</b>
<i>including</i>	266.00	278.00	12.00	10.51	0.03	14	0.05
<b>A12-08</b>	<b>162.00</b>	<b>232.00</b>	<b>70.00</b>	<b>4.77</b>	<b>0.16</b>	<b>5</b>	<b>0.03</b>
<i>including</i>	170.00	174.00	4.00	11.66	0.03	9	0.05
<i>and</i>	195.50	232.00	36.50	6.51	0.02	5	0.06
<i>including</i>	195.50	214.50	19.00	9.02	0.02	6	0.08
<b>and</b>	<b>266.00</b>	<b>322.80</b>	<b>56.80</b>	<b>3.60</b>	<b>0.02</b>	<b>5</b>	<b>0.02</b>
<b>A12-09</b>	<b>216.00</b>	<b>245.50</b>	<b>29.50</b>	<b>3.21</b>	<b>0.12</b>	<b>6</b>	<b>0.06</b>
<b>A13-01</b>	<b>228.00</b>	<b>235.20</b>	<b>7.20</b>	<b>8.54</b>	<b>0.09</b>	<b>6</b>	<b>0.07</b>
<b>A13-02</b>	<b>236.00</b>	<b>328.00</b>	<b>92.00</b>	<b>2.90</b>	<b>0.10</b>	<b>5</b>	<b>0.02</b>
<b>A13-03</b>	<b>165.30</b>	<b>174.00</b>	<b>8.70</b>	<b>4.31</b>	<b>0.57</b>	<b>11</b>	<b>0.07</b>
<b>A13-04</b>	<b>190.00</b>	<b>198.00</b>	<b>8.00</b>	<b>8.37</b>	<b>0.02</b>	<b>6</b>	<b>0.04</b>
<b>and</b>	<b>266.00</b>	<b>332.00</b>	<b>66.00</b>	<b>2.28</b>	<b>0.11</b>	<b>4</b>	<b>0.02</b>
<b>A13-05</b>	<b>130.30</b>	<b>343.20</b>	<b>212.90</b>	<b>5.34</b>	<b>0.17</b>	<b>15</b>	<b>0.03</b>
<i>including</i>	130.30	179.50	49.20	10.07	0.55	32	0.16
<i>including</i>	150.00	166.00	16.00	18.14	0.05	39	0.25
<i>and</i>	316.00	326.00	10.00	12.93	0.02	42	0.04
<b>A13-06</b>	<b>170.00</b>	<b>196.00</b>	<b>26.00</b>	<b>2.20</b>	<b>0.05</b>	<b>5</b>	<b>0.01</b>
<b>and</b>	<b>210.00</b>	<b>322.00</b>	<b>112.00</b>	<b>3.71</b>	<b>0.04</b>	<b>6</b>	<b>0.01</b>
<i>including</i>	262.00	322.00	60.00	4.67	0.07	7	0.01
<i>including</i>	264.65	278.00	13.35	8.42	0.20	14	0.02
<i>and</i>	312.00	322.00	10.00	7.85	0.07	7	0.01
<b>A13-07</b>	<b>75.80</b>	<b>76.90</b>	<b>1.10</b>	<b>30.00</b>	<b>0.06</b>	<b>54</b>	<b>0.10</b>
<b>A13-12A</b>	<b>250</b>	<b>268</b>	<b>18.00</b>	<b>3.84</b>	<b>0.03</b>	<b>5</b>	<b>0.05</b>
<b>and</b>	<b>280.00</b>	<b>292.00</b>	<b>12.00</b>	<b>4.22</b>	<b>0.24</b>	<b>16</b>	<b>0.05</b>
<b>A13-15</b>	<b>329.20</b>	<b>344.00</b>	<b>14.80</b>	<b>4.80</b>	<b>0.01</b>	<b>5</b>	<b>0.09</b>
<b>A13-16</b>	<b>370.00</b>	<b>394.00</b>	<b>24.00</b>	<b>2.80</b>	<b>0.01</b>	<b>2</b>	<b>0.01</b>
<b>A13-17</b>	<b>372.10</b>	<b>394.00</b>	<b>21.90</b>	<b>3.10</b>	<b>0.19</b>	<b>17</b>	<b>0.05</b>

Drill Hole	From (m)	To (m)	Interval (m)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)
A14-18	331.20	360.00	28.80	5.62	0.17	10	0.02
including	342.50	350.00	7.50	8.75	0.30	20	0.04
and	375.10	412.00	36.90	5.62	0.41	9	0.04
DD53	226.00	280.00	54.00	3.50	0.12	8	0.03
and	292.00	315.10	23.10	2.54	0.03	2	0.01
DD52B	272.00	288.00	16.00	6.80	0.13	9	0.00
DD70	100.00	104.00	4.00	10.45	0.04	59	0.13
and	156.00	170.00	14.00	4.18	0.07	12	0.02
DD71	196.00	200.00	4.00	30.90	0.32	63	0.13

The zinc mineralization is associated with semi-massive to massive sulphides of pyrite, pyrrhotite and sphalerite with minor to trace galena, chalcopyrite and arsenopyrite. The sulphides typically replace the matrix and clasts of the host sediments and is accompanied by widespread chlorite-sericite and iron carbonate alteration. The sphalerite is mostly dark-coloured and coarse-grained, and is typically accompanied by iron rich minerals (pyrite, pyrrhotite, magnetite, and siderite). The predominant host of the sulphide mineralization is siltstone and calcareous units of the Oyon Formation which is up to 300 metres thick. Beneath the Oyon Formation lies metamorphic basement 'phyllite' of the Excelsior Group.

Tinka also announced potentially significant tin-copper mineralization in several drill holes at Ayawilca [November 25, 2014](#). The tin mineralization was discovered in the Central Ayawilca area, following the re-assaying of nine 2012-2013 drill holes, and one new 2014 drill hole. The tin-copper mineralization lies beneath the zinc sulphide mineralization. The tin mineralization extends over an area at least 500 metres across, open in all directions, and is cassiterite, the most common ore mineral of tin.

*Significant tin-copper drill results included:*

- A13-11: 16.2 metres at 1.03% tin and 0.67% copper from 328.0 metres depth (hole stopped in mineralization at 344.2 metres) including 2.0 metres at 4.8% tin and 2.1% copper from 330 metres;
- A13-12A: 30.8 metres at 0.54% tin and 0.17% copper from 326 metres depth, including 2.0 metres at 2.5% tin and 0.2% copper from 326 metres depth (hole stopped in mineralization at 356.8 metres);
- A13-01: 76.0 metres at 0.21 % tin and 0.36% copper from 276 metres depth, including 8 metres at 0.94% tin and 0.43% copper.

*Tin and copper mineralogy:*

- Based on a mineralogical study of eight drill samples from Ayawilca, tin occurs predominantly as cassiterite, the most common ore mineral of tin, with only minor stannite (tin sulphide);
- Almost half of the cassiterite in these samples is coarse-grained (> 0.3 mm), providing the opportunity for possible gravity separation of the coarser tin fractions in any future mining operation;
- Copper occurs as chalcopyrite, the most common sulphide mineral of copper;
- Tin – copper mineralization occurs in flat lying massive sulphide bodies, and stockwork vein systems hosted phyllite. It underlies or is subjacent to the zinc sulphide mineralization.

In December 2014, Tinka completed a gravity survey covering 10 km<sup>2</sup> at the Ayawilca - Colquipucro projects. Data points were collected over a 200 metre x 200 metre grid, with the main anomalies covered by a more detailed 100 metre x 100 metre grid. A large gravity anomaly has been identified at Ayawilca, covering an area of approximately 2 km<sup>2</sup>, coinciding and extending well beyond the footprint of the magnetic anomalies. The +5 mgal gravity anomaly, which is a strong response, is caused by dense rocks in the subsurface. We believe the anomaly is, in part, the result of non-magnetic sulphide mineralization at depth. The gravity data is currently being interpreted and modelled in detail.

In July 2014 Tinka carried out 245 line km of ground magnetics on 100m-spaced lines, extending the area of magnetics coverage from 4 km<sup>2</sup> to almost 28 km<sup>2</sup>. Zinc mineralization in the drill core at Ayawilca commonly occurs in association with magnetic minerals. The new survey has identified a number of untested drill targets.

The full drill results for Ayawilca are expected to be released by the end of January 2015. The next steps will include an initial zinc resource calculation / zinc target statement for Ayawilca. Preliminary flotation tests will be carried out of the zinc and tin mineralization to determine the likely recoveries of these metals in concentrates. Further drilling will be carried out at Ayawilca, subject to sufficient finance.

## *Other Projects in Peru*

### *Suriloma*

In August 2014 the Company determined to terminate the option agreements on the Suriloma property and, accordingly, recorded an impairment charge of \$1,877,826. This project came via the acquisition of Darwin.

### *Rurimarac*

The Rurimarac gold project, located in the Department of Ancash in central Peru, is located 35 km from Barrick's Pierina gold mine (10 Moz). This project also came with the Darwin acquisition. The property consists of two 100%-owned mining concessions for 2,000 ha.

Tinka announced during September 2014 that it entered into an option agreement with Mariana Resources Limited ("Mariana") (AIM: MARL) whereby Mariana can earn up to 70% of Rurimarac properties under the following terms:

- Mariana can earn 51% of Rurimarac by drilling 1,500 metres on the property ('First Option') within 12 months of receipt of the approval to initiate drilling activities from the Peruvian authorities. Mariana must file an environmental impact study (DIA) for the drill program within the next 6 months.
- Mariana can earn an additional 19% of the Rurimarac property by drilling a further 3,000 metres within two years of attaining a 51% interest ('Second Option').
- If Mariana exercises the First Option and/or the Second Option, a joint venture will be structured pursuant to the relevant interests of both parties. Dilution below 10% will convert to a 2.5% net smelter return royalty, of which 1% may be purchased under certain conditions for US\$1 million.

The principal target at Rurimarac lies beneath an outcropping zone of oxide gold mineralization at the contact between siltstone and diorite exposed for almost 1km. Previous sampling in 65 pit and trench samples up to 1 metre deep ranged in grade from 0.1 g/t to 39 g/t gold, with an average grade of 5.1 g/t gold. A single past drill hole which tested the main geochemical target intersected 6 metres @ 3.3g/t gold from 60 metres depth.

### *Parihuana*

The Company has a 50% joint-venture interest with Duran Ventures Inc. on the Parihuana properties, located in the Province of Parinacochas, Department of Ayacucho Peru. The property, which covers 1,500 hectares, is prospective for gold-copper skarn and porphyry mineralization. A number of small artisanal mine workings are known on the properties.

A ground magnetic survey was completed during Q4 2014. The data is currently being interpreted. Further surface work is planned for 2015.

### *Pampa Blanca*

Pampa Blanca consists of two granted mineral concessions for 1,600 ha located in the Department of Ayacucho 300km southeast of Lima. Initial reconnaissance exploration identified altered intrusive rocks on the property, but no significant zones of mineralization were identified. No further work is planned.

### *Mining Claims Relinquished*

Licences recently relinquished include Cojines (three claims for 2,100 ha), Pallka (one claim for 1,000 ha), Corilazo (two claims for 1,000 ha) and Arcapampa (two claims for 1,900 ha). All of these claims were early stage exploration properties with no significant mineralization identified in the field studies carried out.

## **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 audited annual consolidated financial statements of the Company.

	Year Ended September 30,		
	2014 \$	2013 \$	2012 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(2,114,854)	(2,601,598)	(1,905,915)
Other items	(1,690,117)	(53,848)	(789,421)
Net loss	(3,804,971)	(2,655,446)	(2,695,336)
Loss per share - basic and diluted	(0.04)	(0.04)	(0.04)
Dividends per share	Nil	Nil	Nil
<b>Balance Sheet:</b>			
Working capital	5,490,211	1,440,632	2,135,148
Total assets	19,698,993	11,868,307	7,794,594
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2014				Fiscal 2013			
	Sept. 30 2014 \$	Jun. 30 2014 \$	Mar. 31 2014 \$	Dec. 31 2013 \$	Sept. 30 2013 \$	Jun. 30 2013 \$	Mar. 31 2013 \$	Dec. 31 2012 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(1,275,698)	(265,424)	(280,652)	(293,080)	(279,605)	(220,859)	(1,731,010)	(370,124)
Other items	(1,744,396)	(6,734)	28,890	32,123	(43,498)	(15,999)	(5,478)	11,127
Net loss and comprehensive loss	(3,020,094)	(272,158)	(251,762)	(260,957)	(323,103)	(236,858)	(1,736,488)	(358,997)
Loss per share - basic and diluted	(0.04)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.02)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital (deficiency)	5,490,211	(71,310)	291,704	1,134,633	1,440,632	2,228,112	1,401,908	2,730,618
Total assets	19,698,993	12,686,543	12,415,332	12,614,148	11,868,307	11,921,621	9,742,690	9,624,123
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### Three Months Ended September 30, 2014 Compared to Three Months Ended September 30, 2013

During the three months ended September 30, 2014 (the "2014 Quarter") the Company reported a net loss of \$3,020,094, compared to a net loss of \$323,103 for the three months ended September 30, 2013 (the "2013 Quarter"), an increase in loss of \$2,696,991. The increase in loss in the 2014 Quarter was attributed primarily to:

- (i) an impairment expense of \$1,877,826 was recognized to exploration and evaluation assets relating to the termination of the option agreements on the Suriloma property during the 2014 Quarter. No impairment expense was considered necessary in the 2013 Quarter;
- (ii) a \$527,058 increase in share-based compensation. During the 2014 Quarter the Company recorded \$489,552 share-based compensation relating to the granting of share options granted and the vesting of previously granted share options during the 2014 Quarter. During the 2014 Quarter the Company recorded share-based compensation of \$36,715 (2013 Quarter - \$nil) relating to the re-pricing share of options previously granted to purchase 370,000 common shares, from an exercise price of \$1.00 to a revised exercise price of \$0.30 per

- share. All other terms remained the same. During the 2013 Quarter the Company recorded a recovery of \$791 relating to changes in the fair values estimated and assumptions from prior quarters on share options granted to investor relations consultants; and
- (iii) a \$416,667 increase in management fees, severance and bonus. During the 2014 Quarter the Company paid \$10,000 (2013 Quarter - \$30,000) for management fees and \$240,000 (2013 Quarter - \$nil) for severance to Mr. Carter, the Company's former CEO. During the 2014 Quarter the Company paid \$36,667 (2013 Quarter - \$nil) for management fees and \$160,000 (2013 Quarter - \$nil) for a bonus to Dr. Carman, the Company's current CEO.

Specific expenses of note are as follows:

- (i) a total of \$50,402 increase in general exploration costs, office costs, office rent, salaries wages and benefits, and travel costs, from \$156,454 for the 2013 Quarter to \$206,856 for the 2014 Quarter. The increase was primarily due to increased activities in Peru resultant from the acquisition of Darwin; and
- (ii) a total of \$20,519 decrease in professional fees. During the 2014 Quarter the Company incurred \$40,646 (2013 - 61,165) for professional expenses, of which \$21,300 (2013 - \$16,200) was billed by private companies owned by certain directors of the Company. \$12,279 (2013 - \$2,125) was reimbursed to public companies with certain common directors for share personnel, office and other assets and \$7,067 (2013 - \$42,840) was billed by various parties for consulting services.

*Year Ended September 30, 2014 Compared to Year Ended September 30, 2013*

During the year ended September 30, 2014 ("fiscal 2014"), the Company reported a net loss of \$3,804,971 (\$0.04 per share), compared to a net loss of \$2,655,446 (\$0.04 per share) for the year ended September 30, 2013 ("fiscal 2013"), an increase in loss of \$1,149,525. The increase in loss during fiscal 2014 was primarily attributed to during fiscal 2014 the Company recorded an impairment expense of \$1,877,826 to exploration and evaluation assets relating to the Suriloma Property. No impairment expense was considered necessary to exploration and evaluation assets during fiscal 2013.

General and administrative expenses decreased by \$486,744, from \$2,601,598 during fiscal 2013 to \$2,114,854 during fiscal 2014. Specific expenses of note are as follows:

- (i) during the 2014 the Company was billed \$42,450 (2013 - \$34,800) 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 a director of the Company. In addition, the Company was billed \$4,020 (2013 - \$4,345) by Chase for office space provided;
- (ii) during fiscal 2014 management fees of \$100,000 (2013 - \$120,000) and severance of \$240,000 (2013 - \$nil) were paid to Mr. Carter, the Company's former President and CEO, in his capacity as such;
- (iii) during fiscal 2014 management fees of \$36,667 (2013 - \$nil) and a bonus of \$160,000 (2013 - \$nil) were paid to by Dr. Carman, the Company's current President and CEO;
- (iv) during fiscal 2014 the Company incurred \$119,616 (2013 - \$144,511) for professional expenses, of which \$75,300 (2013 - \$62,600) was billed by private companies owned by certain directors and the Vice-President of Exploration of the Company, \$28,619 (2013 - \$16,426) was reimbursed to public companies with certain common directors for shared personnel, office and other costs and \$15,697 (2013 - \$65,485) was billed by various parties for consulting services. The Company also capitalized \$80,700 (2013 - \$54,400) professional fees, which was billed by a private company owned by the VP Exploration of the Company, to exploration and evaluation assets;
- (v) during fiscal 2014 the Company incurred \$111,181 (2013 - \$51,977) for legal costs, an increase of \$59,204, due to increased activities;
- (vi) a \$7,113 decrease in general exploration costs, office costs, office rent, salaries, wages and benefits, and travel costs from \$575,681 for fiscal 2013 to \$568,568 for fiscal 2014;
- (vii) share-based compensation of \$509,143 (2013 - \$1,383,172) was recorded during fiscal 2014 relating to the granting of 4,875,000 (2013 - 3,040,000) share options. During fiscal 2013 the Company also recorded share-based compensation of \$39,583 on the vesting of stock options which were previously granted. During fiscal 2014 the Company recorded share-based compensation of \$36,715 (2013 - \$nil) relating to the re-pricing of share options previously granted to purchase 370,000 common shares, from an exercise price of \$1.00 to a revised exercise price of \$0.30 per share. All other terms remained the same;

- (viii) during fiscal 2014 the Company paid \$56,000 (2013 - \$59,500) for investor relations costs. See also “Investor Relations Activities”;
- (ix) corporate development expenses decreased by \$57,724 from \$81,119 during fiscal 2013 to \$23,395 during fiscal 2014. During fiscal 2014 the Company significantly curtailed participation in corporate development programs; and
- (x) audit fees of \$30,015 (2013- \$34,924) was incurred for the Company’s year-end financial statements.

During fiscal 2014 the Company capitalized \$5,496,929 (2013 - \$4,633,172) for mineral property interests exploration expenditures and acquisition costs, comprising \$675,105 (2013 - \$1,458,546) on the Colquipucro Project, \$2,381,916 (2013 - \$2,680,459) on the Ayawilca Project. In July 2014 the Company also completed the acquisition of Darwin, resulting in \$1,877,826 acquisition costs attributed to the Suriloma Property and \$262,297 attributed to other concessions in Peru. In August 2014 the Company determined to terminate the option agreements on the Suriloma Property and, accordingly, recorded an impairment charge of \$1,877,816. See also “Exploration Projects”.

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

	As at September 30, 2014			As at September 30, 2013		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Colquipucro	278,289	6,168,153	6,446,442	207,167	5,564,170	5,771,337
Ayawilca	78,352	5,391,962	5,470,314	23,984	3,064,414	3,088,398
Other	-	1,805,357	1,805,357	-	1,243,275	1,243,275
	<u>356,641</u>	<u>13,365,472</u>	<u>13,722,113</u>	<u>231,151</u>	<u>9,871,859</u>	<u>10,103,010</u>

Exploration and evaluation activities incurred during fiscal 2014 and 2013 are as follows:

	Colquipucro \$	Ayawilca \$	Suriloma \$	Other \$	Total \$
<b>Balance at September 30, 2012</b>	<u>4,312,791</u>	<u>407,939</u>	<u>-</u>	<u>749,108</u>	<u>5,469,838</u>
<b>Exploration costs</b>					
Assays	47,206	137,652	-	-	184,858
Camp costs	64,254	170,901	-	-	235,155
Community relations	55,725	61,853	-	-	117,578
Consulting	4,331	11,305	-	-	15,636
Depreciation of property, plant and equipment	10,349	19,334	-	-	29,683
Drilling	522,871	991,882	-	-	1,514,753
Exploration site	71,960	152,193	-	-	224,153
Field equipment	93,254	128,754	-	-	222,008
Fuel	37,864	181,793	-	-	219,657
Geological	116,477	234,788	-	-	351,265
Salaries	366,124	235,423	-	-	601,547
Transportation	25,112	327,006	-	-	352,118
Travel	6,343	3,591	-	-	9,934
VAT	-	-	-	494,167	494,167
	<u>1,421,870</u>	<u>2,656,475</u>	<u>-</u>	<u>494,167</u>	<u>4,572,512</u>
<b>Acquisition costs</b>					
Surface right payments	<u>36,676</u>	<u>23,984</u>	<u>-</u>	<u>-</u>	<u>60,660</u>
<b>Balance at September 30, 2013</b>	<u>5,771,337</u>	<u>3,088,398</u>	<u>-</u>	<u>1,243,275</u>	<u>10,103,010</u>
<b>Exploration costs</b>					
Assays	37,943	63,384	-	-	101,327
Camp costs	55,155	153,534	-	-	208,689
Community relations	15,409	128,273	-	-	143,682
Consulting	2,400	12,447	-	-	14,847
Depreciation of property, plant and equipment	6,026	24,207	-	-	30,233
Drilling	36,461	947,429	-	-	983,890
Environmental	8,037	10,559	-	-	18,596
Exploration site	47,595	174,924	-	-	222,519
Field equipment	14,302	90,774	-	-	105,076
Fuel	17,446	148,800	-	-	166,246
Geological	66,292	181,648	-	-	247,940
Geophysics	-	54,766	-	-	54,766
Salaries	281,513	135,277	-	-	416,790
Transportation	13,061	198,516	-	-	211,577
Travel	2,343	3,010	-	-	5,353
VAT incurred	-	-	-	316,841	316,841
VAT recovered	-	-	-	(17,056)	(17,056)
	<u>603,983</u>	<u>2,327,548</u>	<u>-</u>	<u>299,785</u>	<u>3,231,316</u>
<b>Acquisition costs</b>					
Acquired on Acquisition	-	-	1,877,826	262,297	2,140,123
Concession payments	<u>71,122</u>	<u>54,368</u>	<u>-</u>	<u>-</u>	<u>125,490</u>
	<u>71,122</u>	<u>54,368</u>	<u>1,877,826</u>	<u>262,297</u>	<u>2,265,613</u>
<b>Impairment</b>	<u>-</u>	<u>-</u>	<u>(1,877,826)</u>	<u>-</u>	<u>(1,877,826)</u>
<b>Balance at September 30, 2014</b>	<u>6,446,442</u>	<u>5,470,314</u>	<u>-</u>	<u>1,805,357</u>	<u>13,722,113</u>

During fiscal 2014 the Company completed private placement financings as follows:

- (i) 2,769,480 units at a price of \$0.50 per unit for gross proceeds of \$1,384,740; and
- (ii) 28,834,491 units at a price of \$0.275 per unit for gross proceeds of \$7,929,486. (See “Plan of Arrangement and Financing”.)

During fiscal 2013 the Company completed private placement financings as follows:

- (i) 3,000,000 units at \$0.75 per unit for gross proceeds of \$2,250,000; and
- (ii) 3,030,265 units at a price of \$0.85 per unit for gross proceeds of \$2,575,725

In addition, during the 2014 period the Company received \$21,600 (2013 - \$458,900) from the exercise of share options and warrants. The funds were allocated for exploration on the Company’s Colquipucro and Ayawilca projects and general working capital purposes.

### **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 September 30, 2014 the Company had cash of \$5,838,547 and working capital in the amount of \$5,490,211. The Company is currently compiling the full drill results for Ayawilca. The Company anticipates that it has sufficient funds to proceed with the preparation of resources calculations on Ayawilca and Colquipucro. The Company has budgeted approximately \$5,000,000 for its upcoming drill program on Ayawilca. Additional financing will be required to fund the drill program. 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, 2014 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 fiscal 2014 and 2013 the following amounts were incurred with respect to the Company's current CEO (Dr. Carman), the former CEO (Mr. Andrew Carter), the Company's VP Exploration (Mr. John Nebocat), and the Company's CFO (Mr. Nick DeMare):

	2014	2013
	\$	\$
Management fees - Dr. Carman	36,667	-
Bonus - Dr. Carman	160,000	-
Management fees -Mr. Carter	100,000	120,000
Severance - Mr. Carter	240,000	-
Professional fees - Mr. DeMare	20,000	15,000
Professional fees - Mr. Nebocat	108,000	81,000
Share-based compensation - Dr. Carman	84,952	-
Share-based compensation - Mr. Carter	-	265,771
Share-based compensation - Mr. DeMare	84,046	212,617
Share-based compensation - Mr. Nebocat	51,094	186,040
	<u>884,759</u>	<u>880,428</u>

The Company has expensed \$804,059 (2013 - \$826,028) key management compensation to operations and capitalized \$80,700 (2013 - \$54,400) to exploration and evaluation assets.

As at September 30, 2014, \$11,500 (2013 - \$10,500) remained unpaid.

See also "Management and Officers".

### (b) *Transactions with Other Related Parties*

(i) During fiscal 2014 and 2013 the following amounts were incurred with respect to non-management directors of the Company (Messrs. David Henstridge and William Lee) and the Company's Corporate Secretary (Ms. Mariana Bermudez):

	2014	2013
	\$	\$
Professional fees - Mr. Henstridge	14,000	10,500
Professional fees - Mr. Lee	14,000	10,500
Share-based compensation - Mr. Henstridge	55,050	203,970
Share-based compensation - Mr. Lee	35,766	106,308
Share-based compensation - Ms. Bermudez	29,956	93,020
	<u>148,772</u>	<u>424,298</u>

As at September 30, 2014, \$7,000 (2013 - \$8,000) remained unpaid.

(ii) During fiscal 2014 the Company incurred a total of \$42,450 (2013 - \$34,800) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$4,020 (2013 - \$4,345) for rent. As at September 30, 2014, \$8,870 (2013 - \$2,270) remained unpaid.

(c) The Company shared personnel, office and other costs with two public companies, Tasman Metals Ltd. ("Tasman") and Mawson Resources Limited ("Mawson"). Mr. DeMare and Mr. Henstridge are also

directors of Tasman and Mawson. During fiscal 2014 the Company incurred \$28,619 (2013 - \$16,426) for expenses and \$2,601 (2013 - \$nil) for apartment rent in Peru with the public companies. As at September 30, 2014, \$6,459 (2013 - \$675) 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.

### **Investor Relations Activities**

Effective August 1, 2014 the Company engaged Albis Capital Corp. ("Albis") to provide investor relations services to the Company at \$2,500 per month. The principals of Albis are Mr. James Powell and Ms. Seema Sindwani. Albis will work with the Company to, among other things, develop a strategy to enhance and expand the Company's exposure in North America and Europe, provide market awareness, promotion and arrange road shows. Albis has been granted stock options to purchase up to 200,000 common shares of Tinka at an exercise price of \$0.30 per common share for a period of three years, subject to vesting and termination provisions. Albis' engagement may be terminated at any time on 30-day advance notice. During fiscal 2014 the Company was billed a total of \$5,000 by Albis.

Commencing December 1, 2013 the Company entered into an investor relations agreement with Mr. Reg Advocaat at \$5,500 per month. The agreement was terminated on July 3, 2014. During fiscal 2014 the Company was billed a total of \$44,000 by Mr. Advocaat.

On February 1, 2013 the Company engaged Michael D'Amico to provide investor relations services at \$3,500 per month. Effective November 30, 2013 Mr. D'Amico's engagement was terminated. During fiscal 2014 the Company was billed a total of \$7,000 by Mr. D'Amico.

In addition the Company updates its website ([www.tinkaresources.com](http://www.tinkaresources.com)) on a continuous basis.

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at January 21, 2015, there were 116,022,729 issued common shares, 14,805,112 warrants outstanding exercisable at prices ranging from \$0.365 to \$0.77 per share and 8,899,995 share options outstanding, at exercise prices ranging from \$0.30 to \$1.375 per share.