

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED MARCH 31, 2021

This discussion and analysis of financial position and results of operation is prepared as at May 21, 2021 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended March 31, 2021 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," "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Tinka's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Tinka's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Tinka's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; the preliminary nature of the PEA and the Company's ability to realize the results of the PEA; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Tinka have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Tinka believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Tinka does not intend, or assume any obligation, to update these Forward-Looking Statements.

All of the Company's public disclosure filings, including its most recent annual information form, management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](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.

### COVID-19

Peru has been one of the most affected countries in Latin America by the coronavirus COVID-19 pandemic. The country is now experiencing a second wave of infections and fatalities, and the impacts in the regions are being felt particularly hard. Mining in Peru, however, has largely continued uninterrupted throughout due to its huge importance to the economy.

Tinka is pleased to report that the Company has successfully completed a 7,600 metre drill program at its flagship Ayawilca project which ran from October 2020 through February 2021. This program was carried out following the successful implementation of health and safety protocols put in place by our local management team. Tinka ensured that as a result of these protocols, our employees and local stakeholders remained safe, while the drill program was completed on budget. Activities at the Ayawilca camp site have been significantly reduced since the drilling was completed, although rehabilitation of drill platforms has continued. The Company continues to implement safe work practices including its COVID-19 health protocols, and where possible, employees work from home.

The Company is now compiling the drill data for a resource and PEA update expected by late Q3/2021. At this time, it is not possible to reliably estimate the impact of the COVID-19 pandemic on the financial results of the Company and its operations in future periods.

## **Company Overview**

Tinka is a junior mineral exploration company engaged in the acquisition and exploration of base and precious metals 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 activities are focused on exploring its 100% owned Ayawilca and Colquipucro Properties (collectively the "Ayawilca Project"), located 200 kilometres northeast of Lima and 40 kilometres northwest of Cerro de Pasco, Central Peru. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") as a Tier 1 issuer, under the symbol "TK", on the OTCQB under the symbol "TKRFF", on the Lima Stock Exchange under the symbol "TK", and on the Frankfurt Exchange under the symbol "TLD".

On January 13, 2020 the Company closed a strategic private placement equity financing with Compañía de Minas Buenaventura SAA ("Buenaventura") issuing 65,843,620 shares to Buenaventura for \$16,000,000 to the Company. Buenaventura is a precious and base metals mining and exploration-development company with numerous mining operations in Peru, and is listed on the New York Stock Exchange and Lima Stock Exchange. Buenaventura is an insider of Tinka, holding approximately 19.3% of the Company's issued and outstanding common shares.

Sentient Global Resources Fund IV, LP ("Sentient"), an insider of the Company, holds an aggregate of 73,382,073 common shares of Tinka, approximately 21.5% of the Company's issued and outstanding common shares.

On March 17, 2021 the Company announced that Nexa Resources S.A. ("Nexa") had acquired 29,895,754 common shares of Tinka from an arm's length shareholder in a private transaction. Nexa, one of the largest zinc producers worldwide and the largest zinc producer in Peru, is listed on the New York Stock Exchange and the Toronto Stock Exchange. On April 21, 2021, Nexa acquired 654,758 additional shares of Tinka from a separate shareholder. As a result, Nexa holds 30,550,512 common shares or approximately 9.0% of the Company's issued and outstanding common shares. No special rights were attached to the acquisition of the shares.

On July 2, 2019 the Company announced the results of a Preliminary Economic Assessment ("PEA") prepared for the Ayawilca Project and on August 15, 2019 the Company filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the PEA. The Company is planning an update to the PEA during Q3 2021 (see "Exploration Projects, Peru").

## **Directors and Officers**

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

Graham Carman	- President, Chief Executive Officer ("CEO") and director
Ben McKeown	- Non-executive Chairman and director
Nick DeMare	- Chief Financial Officer ("CFO") and director
Alvaro Fernandez-Baca	- Vice President, Exploration ("VPE")
Mary Little	- Director
Pieter Britz	- Director
Raul Benavides	- Director
Mariana Bermudez	- Corporate Secretary

## **Exploration Projects, Peru**

### ***Introduction***

As at the date of this MD&A, the Company holds 59 granted mining concessions covering 16,548 hectares through its 100%-owned subsidiary, Tinka Resources S.A.C., at the Company's flagship Ayawilca Project in the Department of Pasco, Central Peru. The Ayawilca Project is located 200 km northeast of Lima and 40 km northwest of Cerro de Pasco, a large carbonate replacement deposit ("CRD") mined for silver, zinc, lead and copper in historic and recent times. The key asset is the Ayawilca Zinc Zone deposit, which contains an estimated 5.6 billion pounds of zinc and 25 million ounces of silver in inferred resources, and an additional 1.8 billion pounds zinc and 6 million ounces silver in indicated resources (November 2018 mineral resource estimate - see "Mineral Resources" section below). Zinc mineralization was discovered by Tinka in 2012, and more than 85,000 metres of drilling has been completed at the project since that time.

Ayawilca also hosts a tin deposit (the "Tin Zone") that is physically separated from the Zinc Zone but is situated close by. The Tin Zone deposit contains an estimated 200 million pounds of tin, 67 million pounds of copper and 8 million ounces of silver in inferred resources (November 2018 mineral resource estimate). Tin mineralization is hosted by cassiterite, the most common ore-forming mineral of tin, and is associated with little to no zinc mineralization.

Tinka also owns a silver-only deposit at Colquipucro (the "Colqui Silver Zone" or "Colqui"), 2 km north of the Zinc Zone. Silver mineralization at Colqui occurs from surface to a depth of 100 metres, and is a disseminated oxide deposit hosted by quartz-rich sandstones. Colqui contains an estimated 14 million ounces of silver in indicated resources and 13 million ounces in inferred resources (May 2016 resource estimate - see "Mineral Resources" section below). The Colqui deposit remains open to the west.

Tinka also has 100% ownership of Darwin Peru S.A.C. which holds 2 granted mining concessions covering 1,700 hectares and 8 mining concession applications for 5,200 hectares at three grass roots exploration areas located in central Peru all of which are considered prospective for gold-silver and base metals.

### ***Current Activities***

#### ***Drilling***

As anticipated in the previous MD&A, the Company's 7,600 metre 21-hole resource expansion drill program at Ayawilca was completed by early March 2021. The focus of the drill program was to test extensions of high-grade mineralization at West and South Ayawilca, and to expand the indicated resources at the Zinc Zone. Results for all 21 holes have now been released, and recent zinc-silver and tin drill intersections are highlighted in the section below.

While the focus of the 2020-2021 drill program was on resource definition of zinc-silver mineralization, significant tin mineralization was also intercepted in several of the drill holes especially at South Ayawilca. Tinka has discovered a new zone of high-grade tin mineralization, immediately adjacent to the highest grade zinc resource. This is the first time that tin mineralization of such high grade has been discovered at South Ayawilca. Tin mineralization was intersected in eight adjacent drill holes, including seven of the recent holes, in zones that typically contain very minor or no zinc mineralization. The tin is believed to be hosted by multiple, flat-dipping lenses with each lens up to 12 metres in thickness and with horizontal dimensions of approximately 200 metres, remaining open to the north. Tin mineralization in hole A21-187 (12 metres grading 3.1% tin) occurs 40 metres above zinc mineralization in the same hole (4.1 metres grading 17.7% zinc).

Tin is traditionally used as a solder and for plating of other metals but it also is a key metal in new applications such as autonomous and electric vehicles, renewable energy, energy storage, and advanced computing. Tin has the highest value of the major base metals and is currently trading at around US\$30,000 per tonne or 3 times the value of copper and 10 times the value of zinc ([source](#)).

Recent drill highlights are as follows:

**Tin Zone - South Area:**

Hole A21-187

- 12.0 metres @ 3.05% tin from 262.0 metres depth, *including 2.0 metres @ 5.43% tin from 266.0 metres depth.*

Hole A21-185

- 2.0 metres @ 1.25% tin from 332.0 metres depth; and
- 7.0 metres @ 0.78% tin from 373.0 metres depth;

Hole A21-184

- 4.5 metres @ 0.54% tin from 286.4 metres depth;

Hole A20-177

- 2.2 metres @ 0.63% tin from 317.0 metres depth;

Hole A20-176

- 4.0 metres @ 0.66% tin from 300.0 metres depth;

Hole A20-174

- 4.0 metres @ 1.03% tin from 348.0 metres depth;

Hole A20-173

- 3.9 metres @ 0.96% tin from 253.1 metres depth;

Hole A17-063\*

- 11.0 metres @ 1.81% tin from 275.0 metres depth.

**Zinc Zone - South Area:**

Hole A20-187

- 4.1 metres @ 17.7% zinc & 34 g/t silver from 302.9 metres depth; and
- 40.0 metres @ 8.8% zinc & 12 g/t silver from 324.0 metres depth, *including 9.1 metres @ 20.1% zinc & 23 g/t silver from 353.3 metres depth.*

Hole A20-185

- \*1.7 metres @ 23.4% zinc & 97 g/t silver from 133.3 metres depth; and
- 5.0 metres @ 6.9% zinc & 13 g/t silver from 289.6 metres depth; and
- 23.6 metres @ 9.4% zinc & 10 g/t silver from 304.3 metres depth, *including 9.6 metres @ 12.5% zinc & 14 g/t silver from 316.4 metres depth.*

Hole A21-184

- 16.6 metres @ 5.0% zinc & 12 g/t silver from 281.8 metres depth.

**Zinc Zone - Camp area:**

Hole A20-180

- \*1.3 metres @ 34.6% zinc, 0.9% lead & 190 g/t silver from 89.0 metres depth.

Hole A20-181

- 5.9 metres @ 11.4% zinc, 1.9% lead & 39 g/t silver from 225.2 metres depth.

Hole A20-181a

- 16.0 metres @ 4.1% zinc & 10 g/t silver from 240.0 metres depth.

Hole A20-182

- 4.8 metres @ 3.8% zinc, 3.0% lead & 93 g/t silver from 191.5 metres depth; and
- 3.9 metres @ 21.1% zinc & 33 g/t silver from 301.8 metres depth.

Hole A20-183

- 6.0 metres @ 3.0% zinc, 2.1% lead & 57 g/t silver from 202.0 metres depth.

True thicknesses of the tin and zinc intersections above are estimated to be at least 90% of the downhole thicknesses.

*Work Programs for 2021*

Following the incorporation and interpretation of all 2020-2021 drill data, the Company will be updating both the Zinc Zone and Tin Zone mineral resource estimations. An updated PEA is planned before the end of Q3/2021. The

updated PEA will consider a revised mine plan and a higher mine throughput above 5,000 tonnes per day (the production rate used in the 2019 PEA). The updated PEA will also include revisions to some of the mine components for the Zinc Zone deposit (including tailings and power requirements), and may consider processing of Tin Zone mineralization (subject to metallurgical test results which are pending).

Tinka is focusing on long-term permitting requirements for a future mine development at Ayawilca. An extended permit is required to cover additional drill targets which lie outside of the current permit area, and those documents are expected to be filed soon. Access agreement extensions with the local communities are also in progress.

Initial field visits to three new exploration properties which were recently staked in central Peru is planned for the upcoming quarter. All three areas are early-stage exploration targets covering areas considered prospective for gold-silver and copper-zinc.

Tinka continues to look for and assess new opportunities that are potentially value-adding and that fit with the Company’s business plan which focuses on the exploration and discovery of potential world-class base and precious metals deposits in Peru.

**Preliminary Economic Assessment**

A PEA for the Ayawilca Zinc Zone was released on July 2, 2019. The PEA was prepared in accordance with NI 43-101 by Amec Foster Wheeler Peru S.A. (“Wood”) as principal consultant, Transmin Metallurgical Consultants, and Roscoe Postle Associates Inc. (“RPA”). The NI 43-101 technical report was filed on August 15, 2019, and can be downloaded under the Company’s profile on [www.sedar.com](http://www.sedar.com) or from the Company’s website [here](#). The Report is titled “Ayawilca Polymetallic Project, Department of Pasco, Central Peru - NI 43-101 Technical Report”.

Key highlights of the 2019 PEA include:

1. After-tax net present value “(NPV)”<sub>8%</sub> of US \$363 million and pre-tax NPV<sub>8%</sub> of US \$609 million for the Ayawilca Zinc Zone (using metal prices of US \$1.20/lb zinc, US \$18/oz silver, and US \$0.95/lb lead at an NSR cut-off of US \$ 65 per tonne).
2. Initial Capex of US \$262 million with after-tax IRR of 27.1% and pre-tax IRR of 37.2%.
3. A 21-year mine life with life of mine (“LOM”) head grades of 6.05% zinc, 18.3 g/t silver and 0.25% lead.
4. Average annual production of approximately 101,000 tonnes of zinc recovered in concentrate and approximately 906,000 ounces of silver in a silver-lead concentrate.
5. Leverage to zinc price: 20% increase in zinc price increases after-tax NPV<sub>8%</sub> to US \$606 million.
6. Indium, while occurring in high concentrations in the zinc concentrate, was not considered a payable metal in the PEA with the exception of a reduced treatment charge assumption in concentrates shipped to Asia.

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

**Table 1. Summary of 2019 PEA Results**

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

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

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

Notes: dmt = dry metric tonne

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

### **Mineral Resources**

The resources at the Ayawilca Project, as estimated by SLR Consulting (Canada) Ltd (previously Roscoe Postle Associates Inc.) are highlighted in the following tables. The Mineral Resources for the Zinc Zone (Tables 2 to 4) and Tin Zone (Table 5) have an effective date of November 26, 2018. The Colquipucro Silver Zone resource estimate has an effective date of May 25, 2016 (Table 6).

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

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

Notes:

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

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

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

Notes:

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

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

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

Notes:

- The Qualified Person for the estimate is Ms. Dorota El Rassi, P.Eng., an RPA employee. Mineral Resources have an effective date of November 26, 2018.
- Mineral Resources are reported using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources are reported above a cut-off grade of US \$55 per tonne NSR value.
- The NSR value was based on estimated metallurgical recoveries, assumed metal prices and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were: US \$1.15/lb Zn, US \$300/kg In, US \$15/oz Ag, and US\$1.00/lb Pb. Metal recovery assumptions were: 90% Zn, 75% In, 60% Ag, and 75% Pb. The NSR value for each block was calculated using the following NSR factors: US \$15.34 per % Zn, US\$ 4.70 per % Pb, US \$0.18 per gram In, and US \$0.22 per gram Ag.
- The NSR value was calculated using the following formula:  

$$NSR = Zn(\%)*US\ \$15.34 + Pb(\%)*US\ \$4.70 + In(g/t)*US\ \$0.18 + Ag(g/t)*US\ \$0.22$$
- The ZnEq value was calculated using the following formula:  

$$ZnEq = NSR/US\ \$15.34$$
- Numbers may not add due to rounding.

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

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

Notes:

- The Qualified Person for the estimate is Ms. Dorota El Rassi, P.Eng., an RPA employee. Mineral Resources have an effective date of November 26, 2018 CIM definitions were followed for Mineral Resources.
- Mineral Resources are reported using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources are reported above a cut-off grade of US \$55 per tonne NSR value.
- The NSR value was based on estimated metallurgical recoveries, assumed metal prices and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were: US \$9.00/lb Sn, US \$2.85/lb Cu, and US \$15/oz Ag. Metal recovery assumptions were: 86% Sn, 75% Cu, and 60% Ag. The NSR value for each block was calculated using the following NSR factors: US \$155.21 per % Sn, US \$37.59 per % Cu, and US \$0.22 per gram Ag.
- The NSR value was calculated using the following formula:  $US\$NSR = Sn(\%)*US\ \$155.21 + Cu(\%)*US\ \$37.59 + Ag(g/t)*US\ \$0.22$
- The SnEq value was calculated using the following formula:  $SnEq = NSR/US\ \$155.21$
- Numbers may not add due to rounding.

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

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

***Ayawilca Project - Geology***

Zinc mineralization at Ayawilca is predominantly hosted by the Pucará Group limestone, a gently dipping limestone unit 150 to 250 m thick of Triassic-Jurassic age, which does not outcrop in the immediate area. The lower contact of the Pucará limestone is interpreted as a low-angle thrust fault beneath which lies Excelsior Group metamorphosed sediments or “phyllite” of Paleozoic age. Pucará limestone is overlain by Goyllarisguizga (“Goyllar”) sandstones and siltstones 120 to 200 metres thick of Cretaceous age, which outcrop extensively above the resource area and are gently east dipping. Goyllar sandstones host a minor component of the Zinc Zone resource near the contact with limestone. The sandstone acted as a “seal” to the mineralization, one of the reasons as to why Ayawilca was not discovered until 2012. Mineralization is believed to be associated with Tertiary intrusions which post-date uplift and folding, but no intrusive rocks have been intersected in drilling.

The Colquipucro Fault, a major north-northwest trending steep-dipping fault system on the western side of the deposit, appears to control high-grade zinc mineralization at the West and South Ayawilca areas. Low-angle thrust faults acted as conduits for both the tin and zinc mineralization, both at the phyllite-limestone contact and within the limestone. An anticlinal fold hinge, which runs parallel to the Colquipucro Fault, appears to have concentrated the high-grade zinc at South Ayawilca.

Zinc mineralization occurs as sulphide “mantos” typically 5 to 30 m thick and up to 50 m thick. At West and South Ayawilca the mantos are stacked on top of each other to form thick almost continuous zones with vertical thicknesses of up to 150 m. Zinc mantos at Central and East Ayawilca are typically narrower, with individual mantos horizontally continuous over hundreds of metres. Zinc mineralization occurs as iron-rich sphalerite (“marmatite”) accompanied by low-iron sphalerite, pyrite, magnetite with minor pyrrhotite, galena, arsenopyrite, and chalcopyrite, together with chlorite, clay, siderite, and quartz.

The Tin Zone mineralization predates and is physically separated from the Zinc Zone mineralization. The tin mineralization typically forms flat-lying sulphide mantos between 5 and 20 metres thick at the contact of the limestone and phyllite. The tin-bearing mantos consist of pyrrhotite rich sulphides with lesser quartz, chlorite, cassiterite, pyrite, and chalcopyrite. Quartz stockworks in the phyllite can also host tin mineralization.

The Colqui Silver Zone (“Colqui”) was mined at a small scale in historic times for lead and silver along narrow structures. Mineralization is hosted by Goyllar sandstones and occurs in both a disseminated and fracture hosted form. The majority of the drilled mineralization at Colqui is oxidised, associated with iron oxides and/or manganese oxides. Silver mineralization occurs from surface to a depth of about 100 metres.

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

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

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

Mr. Edwin Peralta, P.E., a Senior Engineer with Wood Mining and Metals USA, a Qualified Person under NI 43-101 and independent of Tinka, was responsible for the results of the PEA in this MD&A.

Mr. Adam Johnson, FAUSIMM (CP), Chief Metallurgist with Transmin Metallurgical Consultants (Peru), a Qualified Person under NI 43-101 and independent of Tinka, was responsible for the metallurgical assumptions of the PEA in this MD&A.

### Selected Financial Data

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

	Fiscal 2021		Fiscal 2020				Fiscal 2019	
	Mar. 31 2021 \$	Dec. 31 2020 \$	Sept. 30 2020 \$	Jun. 30 2020 \$	Mar. 31 2020 \$	Dec. 31 2019 \$	Sept. 30 2019 \$	Jun. 30 2019 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(479,598)	(366,534)	(417,775)	(424,330)	(1,747,654)	(464,799)	(436,942)	(623,770)
Other items	(87,637)	(501,705)	(3,053)	(567,189)	933,211	8,320	105,579	(24,910)
Net loss and comprehensive loss	(567,235)	(868,239)	(420,828)	(991,519)	(814,443)	(456,479)	(331,363)	(648,680)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	14,526,894	16,838,169	20,160,588	20,872,770	22,355,992	4,441,536	5,945,016	8,350,122
Total assets	67,524,274	68,798,852	69,306,911	69,307,616	70,211,504	52,067,039	52,808,759	52,696,698
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Results of Operations

#### *Three Months Ended March 31, 2021 Compared to Three Months Ended December 31, 2020*

During the three months ended March 31, 2021 (“Q2”) the Company reported a net loss of \$567,235 compared to a net loss of \$868,239 for the three months ended December 31, 2020 (“Q1”), a decrease in loss of \$301,004. The decrease in loss was primarily attributed to the recognition of a foreign exchange loss of \$542,280 in Q1 compared to a foreign exchange loss of \$121,342 in Q2 due to the fluctuation of US dollar and Canadian dollar exchange rates on the Company’s US dollar cash holdings. In addition, general and administrative expenses increased by \$113,064, from \$366,534 in Q1 compared to \$479,598 in Q2.

#### *Six Months Ended March 31, 2021 Compared to Six Months Ended March 31, 2020*

During the six months ended March 31, 2021 (the “2021 period”) the Company reported a net loss of \$1,435,474 compared to a net loss of \$1,270,922 for the six months ended March 31, 2020 (the “2020 period”), an increase in loss of \$164,552. The increase in loss was primarily due to the recognition of a foreign exchange fluctuation of \$1,490,040, from a foreign exchange loss of \$663,622 during the 2021 period compared to a foreign exchange gain of \$826,418 during the 2020 period and offset by a \$1,366,321 decrease in general and administrative expenses, from \$2,212,453 during the 2020 period to \$846,132 during the 2021 period. Significant fluctuations in expenses were as follows:

- (i) during the 2021 period the Company recorded share-based compensation expense of \$26,084 (2020 - \$1,040,580) on the granting and vesting of share options;
- (ii) during the 2021 period the Company incurred \$290,461 (2020 - \$395,368) for directors and officers compensation. See also “Transactions with Related Parties”;
- (iii) legal expenses increased by \$30,645 during the 2021 period to \$54,089 compared to \$23,444 during the 2020 period. The Company is incurring ongoing legal expenses relating to its listing on the Lima Stock Exchange and review of agreements;
- (iv) during the 2021 period the Company incurred \$7,953 (2020 - \$33,801) for registration and virtual participation at investment conferences. The Company participated in fewer investment conferences during the 2021 period due to the impact of COVID-19;

- (v) during the 2020 period the Company incurred \$99,348 for corporate travel. No corporate travel was incurred in the 2021 period due to COVID-19;
- (vi) a \$28,637 decrease in office expense from \$109,626 during the 2020 period to \$81,259 during the 2021 period. The decrease in the 2021 period is due to the significant curtailment of activities in the Peru office due to COVID-19; and
- (vii) a \$75,744 decrease in salaries and benefits, from \$209,690 during the 2020 period to \$133,946 during the 2021 period. The decrease reflects the reduction of employees as a result of COVID-19 on activities in Peru during Q1/2021.

The Company holds its cash in interest bearing accounts in major financial institutions. The Company has also set aside US \$6,000,000 in deposit with its financial institution. These funds were segregated for the purpose of incurring expenditures for certain project related costs on the Company's Ayawilca Project. These funds also bear interest. Interest income is generated from the deposits and fluctuates primarily with the levels of cash on deposit. During the 2021 period the Company recorded interest income of \$74,280 compared to \$115,113 during the 2020 period.

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

	As at March 31, 2021			As at September 30, 2020		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Colquipucro	402,014	8,947,838	9,349,852	402,014	8,794,352	9,196,366
Ayawilca	1,398,071	38,487,546	39,885,617	1,297,195	35,026,527	36,323,722
Other	14,661	3,289,293	3,303,954	-	2,797,596	2,797,596
	<u>1,814,746</u>	<u>50,724,677</u>	<u>52,539,423</u>	<u>1,699,209</u>	<u>46,618,475</u>	<u>48,317,684</u>

Exploration and evaluation activities incurred during the 2021 period and fiscal 2020 are as follows:

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
<b>Balance at September 30, 2019</b>	<u>9,048,534</u>	<u>33,306,363</u>	<u>3,433,415</u>	<u>45,788,312</u>
<b>Exploration costs</b>				
Assay	-	17,564	-	17,564
Camp costs	530	616,066	-	616,596
Community relations	147,302	780,734	-	928,036
Depreciation	-	10,291	-	10,291
Drilling	-	52,811	-	52,811
Engineering	-	145,930	-	145,930
Environmental	-	317,099	-	317,099
Geological	-	437,188	-	437,188
Health and safety	-	180,718	-	180,718
Metallurgical	-	82,784	-	82,784
Modelling	-	37,399	-	37,399
Software and database management	-	14,759	-	14,759
Topography	-	2,775	-	2,775
VAT incurred	-	-	309,038	309,038
VAT recovered	-	-	(944,857)	(944,857)
	<u>147,832</u>	<u>2,696,118</u>	<u>(635,819)</u>	<u>2,208,131</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	-	321,241	-	321,241
<b>Balance at September 30, 2020</b>	<u>9,196,366</u>	<u>36,323,722</u>	<u>2,797,596</u>	<u>48,317,684</u>
<b>Exploration costs</b>				
Camp costs	-	432,245	-	432,245
Community relations	126,252	512,345	-	638,597
Depreciation	-	5,967	-	5,967
Drilling	-	1,717,565	-	1,717,565
Engineering	24,494	12,441	-	36,935
Environmental	2,740	223,306	-	226,046

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
Geological	-	293,720	-	293,720
Health and safety	-	219,256	-	219,256
Metallurgical	-	31,748	-	31,748
Software and database management	-	11,179	-	11,179
Topography	-	1,247	-	1,247
VAT incurred	-	-	491,697	491,697
	<u>153,486</u>	<u>3,461,019</u>	<u>491,697</u>	<u>4,106,202</u>
<b>Acquisition costs</b>				
Concession payments and related taxes	-	100,876	-	100,876
Staking costs	-	-	14,661	14,661
	<u>-</u>	<u>100,876</u>	<u>14,661</u>	<u>115,537</u>
<b>Balance at March 31, 2021</b>	<u>9,349,852</u>	<u>39,885,617</u>	<u>3,303,954</u>	<u>52,539,423</u>

During the 2021 period the Company focused on continuing exploration drilling, metallurgical test work, construction of access roads and platforms, rehabilitation of drill sites and access tracks with local communities. The Company incurred a total of \$4,221,739 (2020 - \$1,714,587) for exploration expenditures and acquisition costs, comprising \$3,561,895 (2020 - \$1,398,990) on the Ayawilca Project, \$153,486 (2020 - \$105,895) on the Colquipucro Project, \$491,697 (2020 - \$209,702) for VAT tax in Peru and \$14,661 (2020 - \$nil) for staking costs on minor concessions in Central Peru. See also “Exploration Projects, Peru”.

### ***Financings***

During the 2021 period the Company did not conduct any equity financings.

During the 2020 period the Company completed a non-brokered private placement financing totalling 76,131,686 common shares of the Company for \$18,500,000, and issued 65,843,620 common shares of the Company to Compania de Minas Buenaventura S.A. for \$16,000,000 and 10,288,066 common shares to Sentient Global Resources Fund IV, LP for \$2,500,000. The net proceeds from the private placement are being used for development of the Company’s Ayawilca Project, further exploration, and for working capital and general corporate 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 March 31, 2021 the Company had working capital in the amount of \$14,526,894, including \$7,545,000 (US \$6,000,000) set aside by the Company for certain project related costs to be incurred on the Ayawilca Project. Management considers that the Company has sufficient funds to complete the 2021 exploration program at the Zinc and Tin Zones, update the PEA, continue advancing the Ayawilca Project and maintain ongoing corporate overhead and field expenses over the next twelve months. See also “Exploration Project, Peru, Work Program for 2021 and COVID-19 Update”. 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, 2020 annual consolidated financial statements.

## Changes in Accounting Policies

Effective October 1, 2020 the Company adopted the Amendments to IFRS 3 - *Definition of a Business*, which clarifies the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no impact on the Company's condensed consolidated interim financial statements upon the adoption of the amendments of this standard.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the September 30, 2020 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 2021 and 2020 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 VPE (Mr. Alvaro Fernandez-Baca) as follows:

	2021	2020
	\$	\$
Management fees - Dr. Carman	154,998	142,503
Special services - Dr. Carman	-	75,000
Management fees - Mr. Fernandez-Baca	109,316	113,012
Special services - Mr. Fernandez-Baca	-	40,000
Professional fees - Mr. DeMare	18,000	17,500
Share-based compensation - Dr. Carman	-	292,500
Share-based compensation - Mr. DeMare	-	91,000
Share-based compensation - Mr. Fernandez-Baca	-	156,000
	<u>282,314</u>	<u>927,515</u>

During the 2021 period the Company expensed \$216,721 (2020 - \$320,208) to directors and officers compensation and capitalized \$65,593 (2020 - \$67,807) of compensation paid to the VPE to exploration and evaluation assets.

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 March 31, 2021 the amount payable under the agreement would be approximately \$620,000.

The Company has a management agreement with its VPE which provides that in the event the VPE'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 March 31, 2021 the amount payable under the agreement would be approximately \$240,000.

(b) *Transactions with Other Related Parties*

(i) During the 2021 and 2020 periods the following amounts were incurred for professional services provided by non-management directors of the Company (Mary Little, Ben McKeown, and Raul Benavides) and the Corporate Secretary (Mariana Bermudez):

	2021 \$	2020 \$
Professional fees - Ms. Little	15,000	14,500
Professional fees - Mr. McKeown	24,000	22,000
Professional fees - Mr. Benavides	15,000	2,500
Professional fees - Ms. Bermudez	19,740	21,160
Special services - Ms. Bermudez	-	15,000
Share-based compensation - Ms. Little	-	91,000
Share-based compensation - Mr. McKeown	-	117,000
Share-based compensation - Ms. Bermudez	-	65,000
	<u>73,740</u>	<u>348,160</u>

As at March 31, 2021 \$nil (September 30, 2020 - \$1,680) remained unpaid.

(ii) During the 2021 period the Company incurred a total of \$34,500 (2020 - \$36,800) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$2,010 (2020 - \$2,010) for rent. As at March 31, 2021 \$335 (September 30, 2020 - \$4,170) 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 May 21, 2021, there were 340,740,717 issued common shares and 13,687,500 share options outstanding, at exercise prices ranging from \$0.25 to \$0.50 per share.