

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED MARCH 31, 2020

This discussion and analysis of financial position and results of operation is prepared as at May 20, 2020 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, 2020 of Tinka Resources Limited (the "Company" or "Tinka"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Tinka's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Tinka's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Tinka's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; 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 or the Company's website www.tinkaresources.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

COVID-19

Recently, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020 the World Health Organization ("WHO") declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. The state of emergency in Peru has been in place since March 15, 2020 and is currently scheduled to remain in place until May 24, 2020. These measures have

caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. The Company has also taken steps to reduce its overhead costs to match reduced levels of activities.

Company Overview

Tinka is a junior mineral exploration company currently engaged in the acquisition and exploration of base and precious metals mineral properties in Peru, with the aim of developing these properties to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies can provide funding for development and exploitation. The Company's activities have been focused on developing its 100% owned Ayawilca and Colquipucro Properties (collectively the "Ayawilca Project"), located 40 kilometres northwest of Cerro de Pasco, Central Peru. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") as a Tier 1 issuer, under the symbol "TK", on the Lima Stock Exchange under the symbol "TK", on the Frankfurt Exchange under the symbol "TLD".

During the second quarter of fiscal 2020 the Company raised \$18,500,000 on the issuance of 76,131,686 common shares of the Company. See also "Strategic investment by Buenaventura and Sentient".

On July 2, 2019 the Company announced the results of the 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. See "Exploration Project, Peru".

Corporate Update

Strategic investment by Buenaventura and Sentient

On January 13, 2020, the Company closed a strategic private placement financing with Compañía de Minas Buenaventura SAA ("Buenaventura"). 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. Tinka issued 65,843,620 shares to Buenaventura at a price of \$0.243 per share for \$16,000,000. As a result of the private placement, Buenaventura has become a new insider of Tinka, holding approximately 19.3% of the outstanding common shares. The shares issued to Buenaventura have a twenty-four-month equity lock-up expiring on January 14, 2022, as well as certain customary standstill provisions.

Sentient Global Resources Fund IV, LP ("Sentient"), an insider of the Company, exercised its pre-existing participation rights in respect of the private placement. As a result, Sentient subscribed for 10,288,066 shares at the same issue price for \$2,500,000. Pursuant to the closing of the private placement, Sentient holds an aggregate of 74,036,831 common shares of Tinka or approximately 21.7% of the Company's outstanding common shares.

Directors and Officers

Mr. Raul Benavides was elected to the board of directors of the Company as Buenaventura's representative, at the annual general meeting of shareholders on February 27, 2020. Mr. Benavides is a son of the founder of Buenaventura, and has acted as VP Corporate Development at Buenaventura since 1997.

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
Mary Little	- Director
Pieter Britz	- Director

Raul Benavides - Director
Mariana Bermudez - Corporate Secretary

Exploration Project, Peru

Introduction

As at the date of this MD&A, Tinka holds 100% ownership of 59 granted mining concessions covering 16,548 hectares 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 at Ayawilca is the "Zinc Zone" which hosts a CRD-style sulphide deposit of zinc, silver, lead and indium. The Zinc Zone was discovered by the Company in 2012, and now has more than 70,000 metres of core drilling completed. The Zinc Zone is a "blind" deposit covering a footprint of approximately 2 km² and lying at a depth of between 120 metres to 450 metres from surface, dipping gently to the east. The Zinc Zone resource is believed to be potentially amenable to underground mining. The deposit remains open to the west, and several targets remain untested along trend.

Zinc is an important globally traded base metal predominantly in the rust prevention of steel (galvanization), but also has important uses in metal alloys, pharmaceuticals and potentially in rechargeable batteries. The Ayawilca Project also hosts a Tin Zone resource, a separate deposit to the Zinc Zone with a different style of mineralization (pyrrhotite-rich with disseminated cassiterite and containing negligible zinc). Tin is a high value base metal used in solders and alloys and in the high-tech industry. A third resource at the Ayawilca Project is potentially amenable to open pit, the Colquipucro Silver Zone (an oxide deposit), which outcrops approximately 2 km north of the Ayawilca Zinc Zone.

Impact of COVID-19 in Peru

The COVID-19 pandemic has significantly impacted businesses and economies worldwide as well as had serious effects on public health. In an effort to control the spread of the virus in Peru, the government enforced a state of emergency throughout the country on March 15, 2020 and currently scheduled to remain in place until May 24, 2020. Mining is one of the key sectors of the Peruvian economy and the government has indicated that mining will be one of the first industries to recommence once the lockdown eases using a phased stage approach. The restart of mining in Peru will begin with large operations and strategic mining projects under construction, while exploration and development projects, like the Company's Ayawilca Project, will commence a short while after.

Tinka's employees in Peru have been in self-isolation during the lockdown, but the Company's community relations team has continued to engage with the local communities in preparedness for an increase in work activities to follow. Prior to the restart of exploration activities, Tinka will be required (along with all resource companies) to obtain approval from government bodies for its own health protocols. The protocols will incorporate self distancing, disinfection procedures and COVID-19 testing, among other measures. The Company is planning for the next exploration phase at the Ayawilca Project, including drilling, to commence during the latter part of 2020.

On March 26, 2020 the Company advised that one of its employees whom had arrived to the Ayawilca camp site from Lima, had been evacuated back to Lima in an emergency vehicle (which the Company has for its sole use) and later tested positive for COVID-19. On May 11, 2020 the Company advised that the employee had fully recovered from the virus and was in good health, and to the best of our knowledge, there had been no spread of COVID-19 infection to other Tinka employees or the local communities.

Revised Work Program for 2020

PEA Optimization

While the Company's field programs have been put on hold with the COVID-19 lockdown, the lockdown has provided our Company the opportunity to review certain assumptions of the 2019 PEA such as the mine plan (e.g. mining methods, mine throughput, etc), the location of mine components (e.g. plant, tailing storage, etc.), and infrastructure requirements. This work is ongoing.

Drilling

The Company is planning a drill program of approximately 7,000 metres of infill and step-out holes later in 2020, with a focus on growing and upgrading the high-grade zinc-silver resources at West and South Ayawilca. In particular, we believe that the mineralization at West and South Ayawilca remains open to the west (down-plunge). The exact timing of the drilling will depend on the phased staging of the easing of the lockdown in the mining sector, and the approval of the Company's health protocols by the government authorities.

Ayawilca District Exploration

Prior to the COVID-19 lockdown, soil sampling along strike from the Ayawilca Zinc Zone resource identified several areas of previously unknown surface zinc mineralization. More work is required to assess the significance of these new target areas, but it is an exciting development that additional zones of mineralization continue to be discovered at Ayawilca.

Permitting

Additional permitting is required to extend the current permit area over new target areas (including the Yanapizgo and Far South Ayawilca areas). This work requires the input from independent consultants and is ongoing.

Preliminary Economic Assessment - 2019

A PEA for the Zinc Zone only was released July 2, 2019. The PEA provided an initial economic study for an underground ramp-access mine development of the Zinc Zone deposit using room and pillar and post pillar mining at a throughput of 5,000 tonnes per day. The Tin Zone and the Colquipucro Silver Zone were not considered. 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"). We encourage readers to review the full NI 43-101 technical report which was filed on August 15, 2019, and can be downloaded under the Company's profile on 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 PEA include:

1. After-tax net present value "(NPV)"_{8%} of US \$363 million and pre-tax NPV_{8%} 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. PEA mine plan extracted 72% of the base case Indicated Mineral Resources and 66% of the base case Inferred Mineral Resources.
6. Leverage to zinc price: 20% increase in zinc price increases after-tax NPV_{8%} to US \$606 million.
7. 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 PEA Results

PEA Financial Summary	Pre-tax	After-tax
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) ⁽¹⁾		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.

PEA Operating Summary	
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

PEA Metal Prices, Cut-off, and Other Assumptions	Input value
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

Metallurgical Testwork

On June 5, 2019, the Company announced locked cycle flotation metallurgical test results on composite zinc sulphide samples from Ayawilca. The metallurgical test program was carried out by XPS Consulting and Testwork Services, Ontario, under the project supervision of Transmin Metallurgical Consultants, Lima.

Key highlights of the metallurgical test program included:

1. A flowsheet using a standard flotation process for the zinc mineralization at West and South Ayawilca was successfully developed.
2. Testwork demonstrated that zinc recoveries of 92% at a zinc concentrate grade of 50% can be consistently achieved. Two locked cycle tests were carried out on two different styles of mineralization (a pyrite rich composite sample, and a low pyrite - high silica composite sample, respectively), with both tests producing similar zinc concentrate grade characteristics and zinc recoveries.
3. Potentially deleterious elements in the zinc concentrates (including silica, manganese, cadmium, mercury, and arsenic) are well below standard smelter penalty levels. A small penalty is anticipated for iron content in the concentrate.

Mineral Resources at the Ayawilca Project

The current resources at the Ayawilca Project, as estimated by RPA of Toronto, Canada, 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

NSR \$/t Cut-off	Tonnage (Mt)	ZnEq (% grade)	Zinc (%)	Lead (%)	Indium (g/t)	Silver (g/t)
40	13.6	7.4	6.3	0.16	75	15
50	12.4	7.9	6.7	0.17	80	15
55	11.7	8.1	6.9	0.16	84	15
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

NSR \$/t Cut-off	Tonnage (Mt)	ZnEq (% grade)	Zinc (%)	Lead (%)	Indium (g/t)	Silver (g/t)
40	52.7	6.2	5.2	0.24	60	17
50	48.1	6.5	5.4	0.24	64	17
55	45.0	6.7	5.6	0.23	67	17
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)
Indicated										
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
Total Indicated	11.7	8.1	6.9	0.16	84	15	1,778	42	983	5.8
Inferred										
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
Total Inferred	45.0	6.7	5.6	0.23	67	17	5,585	230	3,003	25.2

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 November 26, 2018.
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 above a cut-off grade of US \$55 per tonne NSR value.
4. The NSR value was based on estimated metallurgical recoveries, assumed metal prices and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were: US \$1.15/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.

5. The NSR value was calculated using the following formula:

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

$$\text{ZnEq} = \text{NSR} / \text{US } \$15.34$$
7. 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)
Tin Zones	14.5	0.70	0.63	0.21	18	201	67	8

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 November 26, 2018 CIM definitions were followed for Mineral Resources.
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 above a cut-off grade of US \$55 per tonne NSR value.
4. The NSR value was based on estimated metallurgical recoveries, assumed metal prices and smelter terms, which include payable factors, treatment charges, penalties, and refining charges. Metal price assumptions were: US \$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.
5. The NSR value was calculated using the following formula: $\text{US\$NSR} = \text{Sn}(\%) * \text{US } \$155.21 + \text{Cu}(\%) * \text{US } \$37.59 + \text{Ag}(\text{g/t}) * \text{US } \0.22
6. The SnEq value was calculated using the following formula: $\text{SnEq} = \text{NSR} / \text{US } \155.21
7. Numbers may not add due to rounding.

**Table 6 - Mineral Resource Estimate, Colquipucro 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
Total Indicated	7.4	60	14.3
<i>Inferred</i>			
High Grade Lenses	2.2	105	7.5
Low Grade Halo	6.2	28	5.7
Total Inferred	8.5	48	13.2

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 area of the Zinc Zone. The Pucará limestone is brecciated in the vicinity of the mineralization. The lower contact of the Pucará limestone is a low-angle east-dipping 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 recent times. Mineralization is believed to be associated with Tertiary intrusions which post-date uplift and folding of the sedimentary sequence.

The Colquipucro Fault, a 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 zones 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 mantos are stacked on top of each other to form thick almost continuous zones with vertical thicknesses of 100 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 the zinc, and typically forms thick flat-lying sulphide mantos at the contact of the limestone and phyllite. The tin mantos consist of pyrrhotite with lesser quartz, chlorite, cassiterite, pyrite, and chalcopyrite. Quartz stockworks in the phyllite can also host tin mineralization. The Colquipucro Silver Zone was mined at a small scale in historic times for lead and silver. Mineralization is hosted by parallel east-west trending, steeply north-dipping oxidized iron-manganese fractures in Goyllar sandstones. Silver mineralization occurs from surface to a depth of about 80 m associated with iron and manganese oxides.

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, Principal Metallurgical Consultant with Amec Foster Wheeler (Peru) S.A., a Wood company, a Qualified Person as defined in NI 43-101 and independent of Tinka, is 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, is also 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, is 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 2020		Fiscal 2019				Fiscal 2018	
	Mar. 31 2020 \$	Dec. 31 2019 \$	Sept. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sept. 30 2018 \$	Jun. 30 2018 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(1,747,654)	(464,799)	(436,942)	(623,770)	(764,907)	(941,612)	(880,642)	(975,038)
Other items	933,211	8,320	105,579	(24,910)	(76,182)	316,742	(4,758)	129,343
Net loss and comprehensive loss	(814,443)	(456,479)	(331,363)	(648,680)	(841,089)	(624,870)	(885,400)	(845,695)
Loss per share -basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Fiscal 2020		Fiscal 2019				Fiscal 2018	
	Mar. 31 2020 \$	Dec. 31 2019 \$	Sept. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sept. 30 2018 \$	Jun. 30 2018 \$
Balance Sheet:								
Working capital	22,355,992	4,441,536	5,945,016	8,350,122	10,581,942	12,361,332	13,758,538	17,210,606
Total assets	70,211,504	52,067,039	52,808,759	52,696,698	53,132,829	53,709,448	53,647,845	53,562,408
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2020 Compared to Three Months Ended December 31, 2019

During the three months ended March 31, 2020 (“Q2”) the Company reported a net loss of \$814,443 compared to a net loss of \$456,479 for the three months ended December 31, 2019 (“Q1”), an increase in loss of \$357,964. The increase in loss is primarily attributed to the recognition of share-based compensation of \$1,040,580 in Q2 (\$nil - Q1) partially offset by an increase of \$874,004 in a foreign exchange gain recognized, from an \$850,211 gain in Q2 compared to a loss of \$23,793 in Q1.

Six Months Ended March 31, 2020 Compared to Six Months Ended March 31, 2019

During the six months ended March 31, 2020 (the “2020 period”) the Company reported a net loss of \$1,270,922 compared to a net loss of \$1,465,959 for the six months ended March 31, 2019 (the “2019 period”), a decrease in loss of \$195,037. During the 2020 period the Company recognized a foreign exchange gain of \$826,418 compared to a foreign exchange gain of \$101,403 during the 2019 period which, was partially offset by a \$505,934 increase in expenses during the 2019 period. Significant fluctuations in expenses were as follows:

- (i) during the 2020 period the Company recorded share-based compensation expense of \$1,040,580 (2019 - \$590,149) on the granting and vesting of share options;
- (ii) during the 2020 period the Company incurred \$395,368 (2019 - \$252,732) for directors and officers compensation of which \$130,000 (2019 - \$nil) was attributed to bonuses awarded to certain officers of the Company. See also “Transactions with Related Parties”;
- (iii) legal expenses decreased by \$24,266 during the 2020 period to \$23,444 compared to \$47,710 during the 2019 period. During the 2019 period the Company incurred ongoing legal expenses relating to the listing of the Company’s common shares on the Lima Stock Exchange;
- (iv) professional fees decreased by \$34,192, from \$36,272 during the 2019 period to \$2,080 during the 2020 period. The decrease was attributable to fees paid to a personnel agency and services provided by the mining consultant to oversee the preparation of the PEA;
- (v) during the 2020 period the Company incurred a total of \$72,575 (2019 - \$63,560) for accounting and administration. The Company incurred a total of \$36,800 (2019 - \$46,500) with Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, the Company’s CFO, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare. In addition, during the 2020 period the Company was also billed \$35,775 (2019 - \$17,060) for accounting services provided by a third party accounting firm in Peru;
- (vi) during the 2020 period the Company incurred \$29,521 (2019 - \$78,411) for general exploration costs. The decrease reflects an increase in capitalization of certain costs to exploration and evaluation assets during the 2020 period; and
- (vii) a \$25,361 decrease in investment conferences, from \$59,162 during the 2019 period to \$33,801 during the 2020 period. The Company attended fewer investment conferences in the 2020 period.

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 2020 period the Company recorded interest income of \$115,113 compared to \$139,157 during the 2019 period, a decrease of \$24,044.

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

	As at March 31, 2020			As at September 30, 2019		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Colquipucro	402,014	8,752,415	9,154,429	402,014	8,646,520	9,048,534
Ayawilca	975,954	33,729,399	34,705,353	975,954	32,330,409	33,306,363
Other	-	3,643,117	3,643,117	-	3,433,415	3,433,415
	<u>1,377,968</u>	<u>46,124,931</u>	<u>47,502,899</u>	<u>1,377,968</u>	<u>44,410,344</u>	<u>45,788,312</u>

Exploration and evaluation activities incurred during the 2020 period and fiscal 2019 are as follows:

	Colquipucro \$	Ayawilca \$	Other \$	Total \$
Balance at September 30, 2018	<u>8,714,813</u>	<u>27,638,540</u>	<u>2,919,465</u>	<u>39,272,838</u>
Exploration costs				
Camp costs	-	776,618	-	776,618
Community relations	298,361	1,599,294	-	1,897,655
Consulting	-	88,026	-	88,026
Depreciation	-	7,007	-	7,007
Drilling	-	1,009,797	-	1,009,797
Environmental	14,644	415,616	-	430,260
Geological	-	533,880	-	533,880
Metallurgical	-	205,883	-	205,883
Modelling	-	53,474	-	53,474
Preliminary economic assessment	-	604,283	-	604,283
Software and database management	-	19,548	-	19,548
Topography	-	1,593	-	1,593
Travel	-	13,558	-	13,558
VAT incurred	-	-	513,950	513,950
	<u>313,005</u>	<u>5,328,577</u>	<u>513,950</u>	<u>6,155,532</u>
Acquisition costs				
Concession payments	<u>20,696</u>	<u>339,246</u>	<u>-</u>	<u>359,942</u>
Balance at September 30, 2019	<u>9,048,534</u>	<u>33,306,363</u>	<u>3,433,415</u>	<u>45,788,312</u>
Exploration costs				
Assays	-	15,856	-	15,856
Camp costs	535	316,276	-	316,811
Community relations	105,360	470,853	-	576,213
Consulting	-	20,063	-	20,063
Depreciation	-	4,256	-	4,256
Drilling	-	31,348	-	31,348
Engineering	-	60,033	-	60,033
Environmental	-	100,882	-	100,882
Geological	-	255,271	-	255,271
Metallurgical	-	83,940	-	83,940
Modelling	-	37,399	-	37,399
Topography	-	2,813	-	2,813
VAT incurred	-	-	209,702	209,702
	<u>105,895</u>	<u>1,398,990</u>	<u>209,702</u>	<u>1,714,587</u>
Balance at March 31, 2020	<u>9,154,429</u>	<u>37,705,353</u>	<u>3,643,117</u>	<u>47,502,899</u>

During the 2020 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 and completion of the PEA. The Company incurred a total of \$1,714,587 (2019 - \$2,698,805) for exploration expenditures and acquisition costs, comprising \$1,398,990 (2019 - \$2,269,404) on the Ayawilca Project, \$105,895 (2019 - \$242,288)

on the Colquipucro Project, and \$209,702 (2019 - \$187,113) for VAT tax in Peru. See also “Exploration Projects, Peru - Recent Exploration Results and Planned Work Program”.

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 will be used for development of the Company’s Ayawilca Project, further exploration, and for working capital and general corporate purposes.

During the 2019 period the Company did not conduct any equity financings. During the 2019 period the Company issued 1,942,829 common shares for gross proceeds of \$393,567 on the exercise of share options and warrants.

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, 2020 the Company had working capital in the amount of \$22,355,992, including \$8,512,200 (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 implement the 2020 exploration program at the Zinc Zone, advance the Ayawilca Project and maintain ongoing corporate overhead and field expenses over the next twelve months. See also “Exploration Project, Peru, Planned Work for 2020” and “COVID-19”. 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, 2019 annual consolidated financial statements.

Changes in Accounting Policies

IFRS 16 – Leases (“IFRS 16”)

Effective October 1, 2019, the Company adopted IFRS 16. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

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

A detailed summary of all the Company's other significant accounting policies is included in Note 3 to the September 30, 2019 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 2020 and 2019 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 VP of Exploration (Mr. Alvaro Fernandez-Baca) as follows:

	2020 \$	2019 \$
Management fees - Dr. Carman	142,503	140,004
Bonus - Dr. Carman	75,000	-
Management fees - Mr. Fernandez-Baca	113,012	123,370
Bonus - Mr. Fernandez-Baca	40,000	-
Professional fees - Mr. DeMare	17,500	15,000
Share-based compensation - Dr. Carman	292,500	137,731
Share-based compensation - Mr. DeMare	91,000	41,319
Share-based compensation - Mr. Fernandez-Baca	156,000	68,866
	<u>927,515</u>	<u>526,290</u>

During the 2020 period the Company expensed \$320,208 (2019 - \$204,372) to directors and officers compensation and \$539,500 (2019 - \$247,916) for share-based compensation. In addition, the Company capitalized \$67,807 (2019 - \$74,002) of compensation paid to the VPE to exploration and evaluation assets.

As at March 31, 2020, \$2,499 (September 30, 2019 - \$44,191) remained unpaid.

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, 2020 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, 2020 the amount payable under the agreement would be approximately \$240,000.

(b) *Transactions with Other Related Parties*

(i) During the 2020 and 2019 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):

	2020 \$	2019 \$
Professional fees - Ms. Little	14,500	12,000
Professional fees - Mr. McKeown	22,000	12,000
Professional fees - Mr. Benavides*	2,500	-

	2020 \$	2019 \$
Professional fees - Ms. Bermudez	21,160	24,360
Bonus - Ms. Bermudez	15,000	-
Share-based compensation - Ms. Little	91,000	44,498
Share-based compensation - Mr. McKeown	117,000	105,947
Share-based compensation - Ms. Bermudez	65,000	34,433
	<u>348,160</u>	<u>233,238</u>

* Elected on February 27, 2020

As at March 31, 2020 \$10,000 (September 30, 2019 - \$10,000) remained unpaid.

- (ii) During the 2020 period the Company incurred a total of \$36,800 (2019 - \$46,500) with Chase, a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$2,010 (2019 - \$2,010) for rent. As at March 31, 2020, \$335 (September 30, 2019 - \$335) 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 20, 2020, there were 340,740,717 issued common shares, 12,382,347 warrants outstanding exercisable at \$0.45 per share and 14,762,000 share options outstanding, at exercise prices ranging from \$0.25 to \$0.50 per share.