Tinka reports positive PEA For the Ayawilca Zinc Project, Peru

Tinka Resources Ltd. {TSX.V: TK}

Announced positive results from the PEA prepared for its 100%-owned Ayawilca Zinc Zone project in central Peru.

The PEA provides the initial economic assessment for an underground ramp-access mine development with a 5,000 tonnes per day processing plant.



Map showing the location of Ayawilca in Peru.

Vancouver, Canada – Tinka Resources (“Tinka” or the “Company”) **{TSX.V: TK}** is pleased to announce positive results from the Preliminary Economic Assessment (“PEA”) prepared for its 100%-owned Ayawilca Zinc Zone project in central Peru.

The PEA was prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) by Amec Foster Wheeler Peru S.A. (Wood) as principal consultant, Transmin Metallurgical Consultants, and RPA Inc.The PEA provides the initial economic assessment for an underground ramp-access mine development with a 5,000 tonnes per day processing plant.

PEA Highlights

- After-tax $NPV_{8\%}$ of US$363 million and pre-tax $NPV_{8\%}$ of US$609 million using metal prices of US$1.20/lb zinc, US$18/oz silver, and US$0.95/lb lead on a 100% equity basis;
- Initial Capex of US$262 million with after-tax IRR of 27.1% and pre-tax IRR of 37.2%;
- 21-year mine life with average head grades of 6.05% zinc, 18.3 g/t silver, 67.1 g/t indium, and 0.25% lead;
- 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;
- Leverage to zinc price: 20% increase in zinc price increases after-tax $NPV_{8\%}$ to US$606 million;
- Numerous opportunities identified for potential economic improvement & exploration upside.

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 categorised as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Tinka's President and CEO, Dr. Graham Carman, stated: *"We are very pleased with the results of the PEA, which is based on a mid-sized underground mining case of 5,000 tonnes per day and relatively modest initial capital. The PEA shows that the Ayawilca Zinc project, which is located in one of the world´s most prolific polymetallic belts, is shaping up to be one of the best new zinc development projects in the Americas with strong economics and a long mine life of over 20 years.The excellent PEA results are a major milestone and justify the continued advancement of Ayawilca towards production while exploration drilling is continuing with the aim of discovering additional high grade zinc resources."*

Financial Summary	Pre-tax	After-tax
NPV (8% discount rate) IRR Payback period	US$609 million 37.2% 2.2 years	US$363 million 27.1% 3.1 years

Pre-production capital expenditure (Capex)[1] Sustaining Capex Life of Mine (LOM) Capex Closure Cost (5.0% of LOM Capex)	US$261.9 million US$144.6 million US$406.5 million US$20.3 million

Notes: [1] Includes contingencies of US$45 million.

Operating Summary	
Processing plant throughput Average annual zinc concentrate production Average annual lead-silver concentrate production Average annual silver in lead concentrate Net Smelter Return from zinc and lead concentrates	5,000 t/day 201,500 dmt/year 7,570 dmt/year 905,700 oz/year US$4,002 million
Mining costs Processing costs G&A costs Total Operating Costs (Opex)	US$36.66/t US$6.44/t US$5.48/t US$48.57/t

Notes: dmt = dry metric tonne

Metal Prices & Exchange Rate Assumptions	**Input value**
Zinc Price Lead Price Silver Price NSR Cut-off value Exchange Rate – Peruvian SOL/USD	US$1.20/lb US$0.95/lb US$18/oz US$65/t 3.3
Total material processed (LOM)	38.2 million tonnes
Mine Life	21.1 years

PEA *Mine Plan – 5,000 Tonnes per Day Underground Mining*

Operation

*The PEA for the Ayawilca Zinc Zone is based on an underground mine operating at a mining rate of 5,000 tonnes per day for a mine life of 21.1 years.For the purposes of the PEA, production is assumed to commence in 2023 following 18 months of construction and commissioning.*This initial mine plan is based on mining a total of 8.4 million tonnes Indicated Resources (grading 6.95% Zn, 0.18% Pb and 15.8 g/t Ag) plus 29.8 million tonnes Inferred Resources (grading 5.79% Zn, 0.27% Pb, and 19.0 g/t Ag) over the life of mine (“LOM”) using an NSR cut-off value of US$65/t (of the 11.7 Mt Indicated and 45.0 Mt Inferred Resources at a US$55/t NSR cut-off value).The zinc-rich mill feed will be trucked to the surface via a one-way-traffic ramp system connecting two mine portals to the underground infrastructure and accessing production areas starting at West and South Ayawilca.