

Tinka Resources Limited

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Tinka Resources reports high grade drill assays, underlining Ayawilca's further potential

Tinka Resources Ltd (CVE:TK) (OTCPK:TKRFF) has reported high grade drilling results from its flagship Ayawilca project in Peru, which have further underlined the asset's credentials.

Three new holes have been sunk at the West Ayawilca part of the property and one was drilled at South Ayawilca.

Hole A19-162 at South Ayawilca threw up assays which included 19.6 metres (m) grading 15.2% zinc, 9 g/t (grams per ton) silver and 212 g/t indium from 247.4 metres and also included 7.2 metres at a grade of an impressive 21.8% zinc, 12 g/t silver and 354 g/t indium from 259.8 metres.

Dr Graham Carman, the CEO at Tinka, said the high grade results in this hole "highlight the potential of the South Ayawilca area, in particular, to deliver additional positive exploration results".

READ: Tinka Resources unveils 'excellent' preliminary economic assessment results from Ayawilca zinc project

"Mineralization remains open to the west, and at depth, where a deeper limestone layer intersected in hole A19-162 will be tested further by hole A19-163 (in progress). More drill holes are planned, and we look forward to publishing the results in the coming weeks as the assay results come to hand and are interpreted into our geological model," he said.

Carman noted that the preliminary economic assessment (PEA) published this month for Ayawilca indicated a large zinc project with robust economics, a modest capex and a long mine life but the story doesn't end there.

"The company continues to believe that potential remains for the discovery of additional high grade zinc resources at Ayawilca, and better than expected assay results from hole A19-162 reported here, confirm this belief. The addition of high grade resources, especially at West and South Ayawilca, would clearly enhance the economics of the project as the PEA definitively shows that the project economics is particularly sensitive to zinc grade," he said.

The PEA was based on an underground ramp-access mine development with a 5,000 tonnes per day (tpd) processing plant. Initial capital expenditure was pegged at US\$262 million with a pre-tax IRR (internal run rate) of 37.2%. The mine life is 21 years with average head grades of 6.05% zinc, 18.3 g/t (grams per ton) silver, 67.1 g/t indium, and 0.25% lead.

Pre-tax NPV (net present value) of US\$609M

The pre-tax NPV (net present value) for the project is US\$609 million using metal prices of US\$1.20 per pound zinc, US\$18 per ounce silver, and US\$0.95 per pound lead on a 100% equity basis.

At hole A19-163, currently in progress, the top of the hole targeted an area close to the edge of the zinc resource and hit several intervals of zinc mineralization. with assays pending.

Price: 0.17

Market Cap: \$57.93 m

1 Year Share Price Graph



Share Information

Code: TK

Listing: TSX-V

52 week High Low
0.245 0.07

Sector: General mining & base metals

Website: www.tinkaresources.com

Company Synopsis:

Tinka Resources Ltd. is a junior exploration company based in Vancouver, Canada, that is developing its 100%-owned Colquipucro and Ayawilca projects. The projects are located 40 km northwest of Cerro de Pasco in the richly mineralized silver-lead-zinc belt of Central Peru.

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It is planned to continue the hole to around 480 metres depth to test the western limb of the anticline, and has so far intersected strongly altered limestone over an around 50 metre interval from 400 metres depth.

Shares in Toronto shed around 5.4% on the day to C\$0.18 each, haing earlier been at C\$0.19.

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